

VIRGINIA:

IN THE COUNTY OF WASHINGTON

VIRGINIA DEPARTMENT OF MINES, MINERALS AND ENERGY

VIRGINIA GAS AND OIL BOARD

NOVEMBER 14-15, 2006

APPEARANCES:

BOARD MEMBERS: (FIRST DAY - 11/14/06)

MARY QUILLEN - PUBLIC MEMBER

PEGGY BARBAR - PUBLIC MEMBER

DONNIE RATLIFF - COAL REPRESENTATIVE

BOARD MEMBERS: (SECOND DAY - 11/15/06)

BILL HARRIS - CITIZEN REPRESENTATIVE

PEGGY BARBAR - PUBLIC MEMBER

DONNIE RATLIFF - COAL REPRESENTATIVE

CHAIRMAN:

BENNY WAMPLER - DEPUTY DIRECTOR OF THE DMME AND CHAIRMAN

BOB WILSON - DIRECTOR OF THE DIVISION OF GAS & OIL AND
PRINCIPAL EXECUTIVE TO THE STAFF OF THE BOARD

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BENNY WAMPLER: Okay, we're going to go ahead and get started. Good morning. My name is Benny Wampler. I'm Deputy Director for the Department of Mines, Minerals and Energy and Chairman of the Gas and Oil Board. I'll ask the Board members to introduce themselves starting with Ms. Quillen.

MARY QUILLEN: Mary Quillen, Director of Academic Programs for the University of Virginia and Citizen Representative.

PEGGY BARBAR: Peggy Barbar, Dean of Engineering, Southwest Virginia Community College, a public member.

BILL HARRIS: I'm Donnie Ratliff representing the coal. I work for Alpha.

BOB WILSON: My name is Bob Wilson. I'm the Director of the Division of Gas and Oil and Principal Executive to the Staff of the Board.

BENNY WAMPLER: A little housekeeping, if you have cell phones, I'd ask you to please turn those off. They are distracting during the hearing. The first item on the agenda is a petition from EOG Resources, Inc. for pooling of a conventional gas unit PK M-24. This is well Plum Creek #40, docket number VGOB-06-0919-1715. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

TIM SCOTT: Tim Scott for EOG Resources. We're withdrawing that application, Mr. Wampler.

BENNY WAMPLER: Okay. That is withdrawn. Thank you. The next item on the agenda is a petition from Equitable Production Company for repooling of coalbed methane unit VC-536302, docket number VGOB-06-07/18-1685-01. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

JIM KAISER: Mr. Chairman, Jim Kaiser and Don Hall on behalf of Equitable Production Company.

BENNY WAMPLER: The record will show there are no others. You may proceed.

(Don Hall is duly sworn.)

JIM KAISER: Mr. Hall, before we begin your testimony, this is a well that we originally pooled back on the July docket and we've got it back here today. Could you just briefly explain for the Board why we're repooling this unit?

DON HALL: Subsequent title examination showed that the percentage of interest contributed to the unit, the tracts within this unit, had changed somewhat and we needed to repool it because of the changes of the percentages.

DON HALL

having been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

QUESTIONS BY MR. KAISER:

Q. Okay. Do your responsibilities include the land involved here and in the surrounding area?

A. They do.

Q. Are you familiar with the application we filed seeking a pooling order for this well dated October the 13th, 2006?

A. Yes.

Q. Does Equitable own drilling rights in the unit involved here?

A. We do.

Q. Prior to the filing of the application, were efforts made to contact each of the respondents owning an interest in the unit and an attempt made to work out a voluntary lease agreement?

A. Yes.

Q. And what's the interest under lease to Equitable in the unit at this time?

A. We have some interlocking tracts in this unit. So, therefore, if...based on the...if one party owns

it, we have 97.5775% leased. If the other interlocking interest owns it, we have 87.175% leased.

Q. And the interest under lease within the coal estate in the unit?

A. We have a 100% of the coal estate.

Q. Are all the unleased parties set out at Exhibit B-3?

A. Yes.

Q. Okay. So, the interest in the gas estate that remains unleased, depending upon how the interest in the overlap falls, would be either 2.4125 or 12.825?

A. That's correct.

Q. Okay. Again, the coal estate is 100% leased?

A. That's correct.

Q. We do have some unknown and unlocateable interest owners within this unit?

A. Yes.

Q. Were reasonable and diligent efforts made and sources checked to identify and locate these unknown heirs including primary sources such as deed records, probate records, assessors' records, treasurers' records and secondary sources such as telephone directories, city directories, family and friends?

A. Yes.

Q. In your professional opinion, was due diligence exercised to locate each of the respondents named herein?

A. It was.

Q. Are the addresses set out in Exhibit B to the application the last known addresses for the respondents?

A. Yes.

Q. Are you requesting this Board to force pool all unleased interest listed at Exhibit B-3?

A. Yes.

Q. Are you familiar with the fair market value of drilling rights in this unit?

A. Yes.

Q. Could you advise the Board as to what those are?

A. We pay a five dollar bonus on a five year term with a one-eighth royalty.

Q. In your opinion, do the terms you've just testified to represent the fair market value of and the fair and reasonable compensation to be paid for drilling rights within this unit?

A. Yes.

Q. As to those respondents who have not voluntarily agreed to lease, do you recommend that the respondents listed in B-3, those who remain...the unleased parties, be allowed the following options with respect to their ownership interest within the unit: 1) Participation; 2) a cash bonus of five dollars per net mineral acre plus a one-eighth of eight-eighths royalty; or 3) in lieu of a cash bonus and one-eighth of eight-eighths royalty share in the operation of the well on a carried basis as a carried operator under the following conditions: Such carried operator shall be entitled to the share of production from the tracts pooled accruing to his or her interest exclusive of any royalty or overriding royalty reserved in any leases, assignments thereof or agreements relating thereto of such tracts, but only after the proceeds applicable to his or her interest equal, A) 300% of the share of such costs applicable to the interest of the carried operator of a leased tract or portion thereof; or B) 200% of the share of such costs applicable to the interest of a carried operator of an unleased tract or portion thereof?

A. Yes.

Q. Do you recommend that the order provide that elections by any respondents be in writing and sent to the applicant at Equitable Production Company, 1710

Pennsylvania Avenue, P. O. Box 2347, Charleston, West Virginia 25302, Attention: Leslie Smith, Regulatory?

A. We---.

Q. That's actually somebody else.

A. We changed Leslie Smith to Nikki, N-I-K-K-I A-T-K-I-S-O-N, Nikki Atkison.

Q. Nikki Atkison?

A. Uh-huh.

Q. Should this be the address for all communications with the applicant concerning any force pooling order?

A. Yes.

Q. Do you recommend that the order provide that if no written election is properly made by a respondent, then such respondent should be deemed to have elected the cash royalty option in lieu of any participation?

A. Yes.

Q. Should the unleased respondents be given 30 days from the date that they receive the Board order to file their written elections?

A. Yes.

Q. If an unleased respondent elects to participate, should they be given 45 days to pay the

applicant for the respondents proportionate share of actual completed well costs?

A. Yes.

Q. Does the applicant expect any party electing to participate to pay in advance that party's share of actual completed well costs?

A. We do.

Q. Should the applicant be allowed 120 days following the recordation date of the Board order and thereafter annually on that date until production is achieved, to pay or tender cash bonus or delay rental becoming due under the force pooling order?

A. Yes.

Q. Do you recommend that the pooling order provide that if a respondent elects to participate but fails to pay their proportionate share of well costs, then the respondent's election to participate should be treated as having been withdrawn and void and such respondent should be treated just as if initial election had been filed under the force pooling order?

A. Yes.

Q. Do you recommend that the order provide that where a respondent elects to participate but defaults in regard to the payment of well costs, any cash sum

becoming payable to that respondent be paid within 60 days after the last date at which that respondent could have made...could have paid their share of the well costs?

A. Yes.

Q. Okay. In this particular case, we do need to establish...the Board needs to establish an escrow account covering Tracts 3, 4, 5 and 6?

A. Yes.

Q. Okay. And who should be named operator under the force pooling order?

A. Equitable Production Company.

Q. And what is the total depth of the proposed well?

A. 2388 feet.

Q. The estimated reserves for the unit?

A. 330 million cubic feet.

Q. Are you familiar with the well costs for this well?

A. Yes.

Q. Has an AFE been reviewed, signed and submitted to the Board?

A. It has.

BRENDA JOETTA BARTON: Excuse me. I'm sorry, did you say Tracts 4, 5 and 6?

BENNY WAMPLER: Ma'am, you can't ask questions like that at this point.

BRENDA JOETTA BARTON: Oh, you can't?

BENNY WAMPLER: No.

BRENDA JOETTA BARTON: I'm sorry.

BENNY WAMPLER: It's okay.

Q. In your opinion, does the AFE represent a reasonable estimate of the well costs?

A. Yes.

Q. Could you state for the Board both dry hole costs and completed well costs for this well?

A. \$128,561.

Q. And the completed well costs?

A. \$319,073.

Q. Do these costs anticipate a multiple completion?

A. They do.

Q. Does your AFE include a reasonable charge for supervision?

A. Yes.

Q. In your professional opinion, would the granting of this application be in the best interest of conservation, the prevention of waste and the protection of correlative rights?

A. Yes.

MR. KAISER: Nothing further of this witness at this time, Mr. Chairman.

BENNY WAMPLER: Now, I will let you come down and state your name for the record and ask anything you want, okay?

BRENDA JOETTA BARTON: Where do I come?

BENNY WAMPLER: Come up here because this is where we're getting the recording.

BRENDA JOETTA BARTON: Okay.

BENNY WAMPLER: Otherwise, we can't pick it up. It's being verbatim recorded and we can't pick it up. We can't let people just---

BRENDA JOETTA BARTON: So, I can get a transcript of the previous hour that I missed, correct?

BENNY WAMPLER: You didn't miss---

BRENDA JOETTA BARTON: There's a stenographer here taking down notes, right?

BENNY WAMPLER: Yes.

BRENDA JOETTA BARTON: No? There's no record of this whatsoever being recorded?

BENNY WAMPLER: There's a complete record.

BRENDA JOETTA BARTON: Okay. That's all I'm asking. I'll just get that prior hour that I missed.

COURT REPORTER: We just started.

BENNY WAMPLER: We just started.

JIM KAISER: We just started. You didn't miss anything.

BRENDA JOETTA BARTON: It said 8:00 o'clock on the door.

BENNY WAMPLER: No, that's...I guess, I maybe they've misposted it.

JIM KAISER: That's to reserve the room.

MARY QUILLEN: That's the room...the room is reserved at 8:00 o'clock.

BRENDA JOETTA BARTON: Oh, I thought I missed everything.

JIM KAISER: No.

BRENDA JOETTA BARTON: Okay. My name is Brenda Joetta Barton.

BENNY WAMPLER: Okay.

BRENDA JOETTA BARTON: I am the daughter of Gregory Layne Barton, deceased, heir of Ira Barton, as well as Rachel Tiller. I am a heir-at-law through his blood and theirs. I have questions that may not necessary just pertain to the Tiller tracts.

BOB WILSON: Mr. Chairman, I don't---.

DON HALL: I believe the---.

BOB WILSON: ---think that this is this item.

MARY QUILLEN: Unh-huh. This is not---.

BOB WILSON: I think it's a different item we're concerned with here.

BENNY WAMPLER: We don't have the Tiller tracts in here.

MARY QUILLEN: We don't have them.

DON HALL: That would be well number 1843.

BRENDA JOETTA BARTON: Well then why are this people right here, my family, sitting here---.

AUDIENCE: They're on a different docket now.

BENNY WAMPLER: We're calling each docket number. Do you have an agenda? When we call the docket number---.

BRENDA JOETTA BARTON: I certainly hope there's an agenda, yes, sir.

BENNY WAMPLER: Ma'am, I'm trying...I'm trying to help you get to the point that you want to get to, okay?

BRENDA JOETTA BARTON: Well, it's not...if this...if you're pertaining to something else right now, then this is irrelevant to what I have to say until you conclude what you've already done.

BENNY WAMPLER: Well, you were the one that interrupted and wanted to talk.

BRENDA JOETTA BARTON: Well, when he said Tracts

4, 5 and 6 and I saw...well, your misinformation on the door said 8:00 o'clock, so---.

BENNY WAMPLER: Okay. All right. Well, let's... we're get on the right tract then. Do you have any questions members of the Board?

BOB WILSON: Mr. Chairman.

BENNY WAMPLER: Mr. Wilson.

BOB WILSON: The...you're showing under Exhibit E, escrowing for either 20.01% or 11.18%. You can't escrow either/or. I'm not sure exactly how that should be handled. I would assume that if there's a dispute you'd have to escrow the maximum amount.

JIM KAISER: We'll escrow the greater amount, yeah.

DON HALL: Yeah.

BENNY WAMPLER: Yeah, they would have to escrow the greater amount.

JIM KAISER: We'll escrow the greater amount.

BENNY WAMPLER: If it comes out to the lessor amount---.

BOB WILSON: I think the Exhibit E---.

BENNY WAMPLER: ---than it would be adjusted.

JIM KAISER: We'll correct that to show that the total escrow with the greater amount.

MARY QUILLEN: Mr. Chairman, can I just clarify that?

BENNY WAMPLER: Sure.

MARY QUILLEN: That was 20.01, is that correct?

JIM KAISER: Yeah, it's either 20.01 or 11.18. So, we just need to change it so that 20.01 will be escrowed.

MARY QUILLEN: Okay. Thank you.

BENNY WAMPLER: Other questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Do you have anything further?

JIM KAISER: With the caveat that we'll be amending that Exhibit E to show the greater escrow amount, we'd ask that the application be approved as submitted, Mr. Chairman.

BENNY WAMPLER: Is there a motion?

DONNIE RATLIFF: So moved, Mr. Chairman.

BENNY WAMPLER: Motion to approve---.

PEGGY BARBAR: Second.

BENNY WAMPLER: ---and second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying

yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval.

BOB WILSON: Mr. Chairman, for the record---

BENNY WAMPLER: Mr. Wilson.

BOB WILSON: ---this unit was pooled originally, earlier this year. There has not been an order issued. I would like to issue a single order for the pooling and repooling.

BENNY WAMPLER: Okay. It makes sense.

JIM KAISER: What number do you want us to use, Mr. Wilson, the 01?

BOB WILSON: The 01, yes, sir.

BENNY WAMPLER: Okay. Next is a petition from Equitable Production Company for pooling of coalbed methane unit VC-536509. This is docket number VGOB-06-1114-1759. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

JIM KAISER: Mr. Chairman, Jim Kaiser and Don Hall, again, on behalf of Equitable Production Company.

BENNY WAMPLER: The record will show no others. You may proceed.

DON HALL

DIRECT EXAMINATION

QUESTIONS BY MR. KAISER:

Q. Mr. Hall, do your responsibilities include the land involved here and in the surrounding area?

A. They do.

Q. Are you familiar with the application we filed seeking a pooling order for this well dated October the 13th, 2006?

A. Yes.

Q. Does Equitable own drilling rights in the unit involved here?

A. We do.

Q. And prior to the filing of the application, were efforts made to contact each of the respondents in and an attempt made to work out a voluntary lease agreement?

A. Yes.

Q. And what is the interest under lease to Equitable in the gas estate?

A. We have 55.87% of the gas estate leased.

Q. And the interest in the coal estate under lease?

A. A 100%.

Q. Are all unleased parties set out at Exhibit

B-3?

A. Yes.

Q. And the interest of the gas estate that remains unleased?

A. 44.13%.

Q. Okay. And in this particular case, all the unleased parties in the gas estate are unknown entities, is that correct?

A. That's correct, yes.

Q. Were reasonable and diligent efforts made and sources checked to identify and locate these unknown parties including primary sources such as deed records, probate records, assessors' records, treasurers' records and secondary sources such as telephone directories, city directories, family and friends?

A. Yes.

Q. In your professional opinion, was due diligence exercised to locate each of the respondents?

A. It was.

Q. Are the addresses set out in Exhibit B to the application the last known addresses for the respondents?

A. Yes.

Q. Are you requesting this Board to force pool

all unleased interest listed at Exhibit B-3?

A. Yes.

Q. Again, are you familiar with the fair market value of drilling rights in this unit and in the surrounding area?

A. Yes.

Q. Could you advise the Board as to what those are?

A. We pay a five dollar bonus on a five year term with a one-eighth royalty.

Q. In your opinion, do the terms you just testified to represent the fair market value of and the fair reasonable compensation to be paid for drilling rights within this unit?

A. Yes.

JIM KAISER: Now, Mr. Chairman, at this time, I'd ask that the testimony previously taken in the prior hearing 1685-01 regarding the election options afforded any unleased parties, their time frames in which to make them be incorporated for purposes of this hearing.

BENNY WAMPLER: That will be incorporated.

Q. Okay, Mr. Hall, we do need to establish an escrow account here too, don't we?

A. Yes.

Q. And that will cover Tracts 2, 5 and 6?

A. Yes, that's correct.

Q. Okay. And who should be named operator under the force pooling order?

A. Equitable Production Company.

Q. What's the total depth of this well?

A. 3,055 feet.

Q. The estimated reserves?

A. 330 million cubic feet.

Q. Are you familiar with the well costs?

A. Yes.

Q. Has an AFE been reviewed, signed and submitted to the Board as Exhibit C?

A. It has.

Q. In your opinion, does the AFE represent a reasonable estimate of the well costs?

A. Yes.

Q. Could you state both the dry hole costs and completed well costs for this well?

A. The dry hole costs is \$136,152 and the completed well costs is \$342,421.

Q. Do these costs anticipate a multiple completion?

A. They do.

Q. Does your AFE include a reasonable charge for supervision?

A. Yes.

Q. In your professional opinion, would the granting of this application be in the best interest of conservation, the prevention of waste and the protection of correlative rights?

A. Yes.

JIM KAISER: Nothing further of this witness at this time, Mr. Chairman.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

(Mr. Wampler confers with Mr. Wilson.)

BENNY WAMPLER: I'm just showing the members the plat that wasn't in out copy.

(Board members review the plat.)

BENNY WAMPLER: Do you have anything further?

JIM KAISER: Mr. Chairman, we'd ask that the application be approved as submitted.

BENNY WAMPLER: Is there a motion?

PEGGY BARBAR: Motion to approve.

MARY QUILLEN: Second.

BENNY WAMPLER: All in favor, signify by saying

yes.

(All Board members signify by saying yes, but Donnie Ratliff.)

BENNY WAMPLER: Opposed, say no.

DONNIE RATLIFF: I abstain, Mr. Chairman.

BENNY WAMPLER: One abstention, Mr. Ratliff. You have approval. Thank you. Next is a petition from Equitable Production Company for pooling of coalbed methane unit VC-536595. This is docket number VGOB-06-1114-1760. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

JIM KAISER: Mr. Chairman, again, Jim Kaiser and Don Hall on behalf of Equitable Production Company. Before we get into Mr. Hall's standard testimony, this well has got a little different twist to it. I will have him explain.

DON HALL: The well...the first well we did this morning and I testified that we discovered some tracts...some differences in the way the tracts were laid out. In the process of doing that, we also discovered that those tracts affected this 6595 well. This well was drilled in June of '05. We've...since we've discovered this mistake...this omission of these tracts within this unit, we've suspended payment of royalty until we take care of the...including the tracts that weren't initially included

in this unit.

JIM KAISER: Any questions regarding that?

BENNY WAMPLER: I don't so.

DON HALL

DIRECT EXAMINATION

QUESTIONS BY MR. KAISER:

Q. Mr. Hall, you're familiar with the application we filed seeking a pooling order---?

A. Yes.

Q. ---dated October the 13th?

A. Yes.

Q. Does Equitable own drilling rights in the unit involved here?

A. We do.

Q. What is the interest Equitable under lease in the gas estate?

A. Again, this is a situation where we have some overlaps and depending on the ownership of the overlaps, we either own 94.51% or 90.49%.

Q. And the interest under lease in the coal estate?

A. A 100%.

Q. All unleased parties are set out in B-3?

A. Yes.

Q. So, the interest in the gas estate that remains unleased is either 5.49% or 9.51%?

A. That's correct.

Q. Okay. Again, we have the same unknown entities in this unit, the McCoys, the Deels and the Rasnake heirs?

A. Yes.

Q. Again, you made all reasonable and diligent efforts to locate those unknown heirs?

A. Yes.

Q. Are the addresses set out in Exhibit B to the application the last known addresses for the respondents?

A. Yes.

Q. Are you requesting this Board to force pool all unleased interest listed at Exhibit B-3?

A. We are.

Q. Again, are you familiar with the fair market value of drilling rights in this unit?

A. Yes.

Q. Could you advise the Board as to what those are?

A. A five dollar bonus with a five year term

with a one-eighth royalty.

Q. In your opinion, do the terms you've testified to represent the fair market value of and the fair reasonable compensation to be paid for drilling rights within this unit?

A. Yes.

JIM KAISER: Mr. Chairman, we'd again ask that the statutory election option testimony be incorporated for purposes of this hearing.

BENNY WAMPLER: That will be incorporated. That's from docket number?

JIM KAISER: 1685-01.

BENNY WAMPLER: That will be incorporated.

Q. Mr. Hall, do you recommend that the order provide that elections by respondents be in writing and sent to the applicant at Equitable Production Company, 1710 Pennsylvania Avenue?

A. Yes.

Q. Okay. Should this be the address for all communications with the applicant concerning any force pooling order?

A. Yes.

Q. Okay. Again, we do...the Board does need to establish an escrow account?

A. That's correct.

Q. And that will cover Tracts 2, 3 and 4?

A. Yes.

Q. And who should be named operator under the force pooling order?

A. Equitable Production Company.

Q. And, again, because of the overlap, I think the amount that...going back to the escrow, the amount that the Board will have to escrow and that we'll revise our Exhibit E to reflect will be 9.81%?

A. That's correct.

Q. Okay. And what's the total depth of this proposed well?

A. It's 2534 feet.

Q. The estimated reserves for the unit?

A. 330 million cubic feet.

Q. Has an AFE been reviewed, signed and submitted to the Board as Exhibit C to the application?

A. Yes.

Q. In your opinion, does it represent a reasonable estimate of well costs?

A. It does.

Q. Could you for the Board both the dry hole costs and completed well costs for this well?

A. \$117,820 is the dry hole costs and the completed costs is \$288,405.

Q. Do these costs anticipate a multiple completion?

A. They do.

Q. Does your AFE include a reasonable charge for supervision?

A. Yes.

Q. In your professional opinion, would the granting of this application be in the best interest of conservation, the prevention of waste and the protection of correlative rights?

A. Yes.

JIM KAISER: Nothing further of this witness, Mr. Chairman.

BENNY WAMPLER: Questions from members of the Board?

BOB WILSON: Mr. Chairman.

BENNY WAMPLER: Mr. Wilson.

BOB WILSON: We'll get a revised Exhibit E on this one as well?

JIM KAISER: Right.

BENNY WAMPLER: You're not in the drilling window of this one, right? You have applied and had a permit

approved for that?

DON HALL: Yes.

BENNY WAMPLER: You're not on any of the unknown
and unlocateables---?

DON HALL: No.

BENNY WAMPLER: ---with that land disturbances?

DON HALL: That's correct.

BENNY WAMPLER: Other questions from members of
the Board?

(No audible response.)

BENNY WAMPLER: Do you have anything further?

JIM KAISER: We'd ask that the application be
approved as submitted with the revision of Exhibit E to the
reflect the greater escrow amount.

BENNY WAMPLER: Is there a motion?

MARY QUILLEN: Motion to approve.

PEGGY BARBAR: I'll second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying
yes.

(All Board members signify by saying yes, but
Donnie Ratliff.)

BENNY WAMPLER: Opposed, say no.

DONNIE RATLIFF: I abstain, Mr. Chairman.

BENNY WAMPLER: One abstention, Mr. Ratliff. Next is a petition from Equitable Production Company for pooling of coalbed methane unit VC-536190. This is docket number VGOB-06-1114-1761. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

JIM KAISER: Mr. Chairman, again, Jim Kaiser and Don Hall on behalf of Equitable. This is very similar to item number three on the docket and that the unknown Cooks are the folks that we're pooling here.

DON HALL

DIRECT EXAMINATION

QUESTIONS BY MR. KAISER:

Q. Mr. Hall, are you familiar with our application?

A. Yes.

Q. Does Equitable own drilling rights in the unit involved here?

A. We do.

Q. And what is the interest under lease to Equitable within the unit in the gas estate?

A. We have 88.53% of the unit leased.

Q. And how much of the coal estate is under lease?

A. A 100%.

Q. Are all unleased parties set out at Exhibit B-3?

A. They are.

Q. So, the interest of the gas...within the unit in the gas estate that remains unleased is 11.47%?

A. That's correct.

Q. Again, we have the unknown G. W. Cook heirs and you used reasonable and diligent efforts to attempt to locate those unknown heirs?

A. That's correct.

Q. Are you requesting this Board to force pool all unleased interest listed at Exhibit B-3 to the application?

A. Yes.

Q. Again, are you familiar with the fair market value of drilling rights?

A. Yes.

Q. Could you advise the Board as to what those are?

A. We pay a five dollar bonus on a five year term with a one-eighth royalty.

Q. In your opinion, do the terms you've testified to represent the fair market value of and the fair reasonable compensation for drilling rights within this unit?

A. Yes.

JIM KAISER: Mr. Chairman, we'd again ask that the statutory election option testimony first taken in 1685-01 be incorporated for purposes of this hearing?

BENNY WAMPLER: That will be incorporated.

Q. Mr. Hall, we do need to establish an escrow account, the Board does again, right?

A. That's correct.

Q. And that is for Tract 1 in the unit?

A. Yes.

Q. And who should be named operator under any force pooling order?

A. Equitable Production Company.

Q. What's the total depth of the proposed well?

A. 3,004 feet.

Q. The estimated reserves?

A. 330 million cubic feet.

Q. Has an AFE been reviewed, signed and submitted to the Board as Exhibit C?

A. Yes.

Q. In your opinion, does it represent a reasonable estimate of the well costs?

A. It does.

Q. What are the dry hole costs and completed well costs for this well?

A. The dry hole costs is \$142,631 and the completed well costs is \$339,544.

Q. Do these costs anticipate a multiple completion?

A. They do.

Q. Does your AFE include a reasonable charge for supervision?

A. Yes.

Q. In your professional opinion, would the granting of this application be in the best interest of conservation, the prevention of waste and the protection of correlative rights?

A. Yes.

JIM KAISER: Nothing further of this witness at this time, Mr. Chairman.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Do you have anything further?

JIM KAISER: We'd ask that the application be approved as submitted, Mr. Chairman.

BENNY WAMPLER: Is there a motion?

PEGGY BARBAR: Motion to approve.

MARY QUILLEN: Second.

BENNY WAMPLER: Motion to approve and second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes, but Donnie Ratliff.)

BENNY WAMPLER: Opposed, say no.

DONNIE RATLIFF: I abstain, Mr. Chairman.

BENNY WAMPLER: One abstention, Mr. Ratliff. You have approval. Next is a petition from Equitable Production Company for pooling of coalbed methane unit VC-536510. This is docket number VGOB-06-1114-1762. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

JIM KAISER: Mr. Chairman, again, Jim Kaiser and Don Hall on behalf of Equitable Production Company. This particular unit, the only interest that we're pooling are

the unknown heirs of Rufus Cook.

BENNY WAMPLER: Of who?

JIM KAISER: Rufus Cook.

BENNY WAMPLER: And where are these wells that the Cook heirs...tell me a little bit about your background search.

DON HALL: They're in Russell County. We've done the Courthouse research, all methods of public notice. We spent quite bit of time in the library looking at some genealogy records and we're unable to locate any of them.

JIM KAISER: Internet search?

DON HALL: Internet search and so forth.

BENNY WAMPLER: Okay. Go ahead.

DON HALL

DIRECT EXAMINATION

QUESTIONS BY MR. KAISER:

Q. Mr. Hall, are you familiar with the application we filed for this well?

A. Yes.

Q. Does Equitable own drilling rights in the unit involved here?

A. We do.

Q. What is the interest under lease to

Equitable within the gas estate?

A. We have 96.29% leased.

Q. And the interest under lease in the coal estate?

A. 100%.

Q. And all unleased parties are set out in Exhibit B-3 to the application?

A. Yes.

Q. So, the percentage of the gas estate within the unit that remains unleased is 3.71%?

A. That's correct.

Q. Okay. Are the addresses set out in Exhibit B the last known addresses for the respondents?

A. Yes.

Q. Are you requesting this Board to force pool all unleased interest as listed at Exhibit B-3?

A. That's correct.

Q. Again, could you state the fair market value of drilling rights for this unit?

A. We pay a five dollar bonus on a five year term with a one-eighth royalty.

Q. In your opinion, do the terms you've testified to represent the fair market value of and the fair reasonable compensation to be paid for drilling rights

within this unit?

A. They do.

JIM KAISER: Mr. Chairman, we'd again ask that the statutory election option testimony first taken in 1685-01 be incorporated for purposes of this hearing.

BENNY WAMPLER: That will be incorporated.

Q. Mr. Hall, again, we...the Board does need to establish an escrow account?

A. That's correct.

Q. This time, again, covering...this time it will be covering the proceeds from Tract 3, correct?

A. That's correct.

Q. And who should be named operator under any force pooling order?

A. Equitable Production Company.

Q. What's the total depth of this proposed well?

A. 3134 feet.

Q. The estimated reserves for the unit?

A. 330 million cubic feet.

Q. Are you familiar with AFE?

A. Yes.

Q. In your opinion, it represents a reasonable estimate of the well costs?

A. It does.

Q. Could you state for the Board both the dry hole costs and completed well costs for this well?

A. The dry hole costs is \$172,171 and the completed well costs is \$443,340.

Q. Do these costs anticipate a multiple completion?

A. They do.

Q. Does your AFE include a reasonable charge for supervision?

A. Yes.

Q. In your professional opinion, would the granting of this application be in the best interest of conservation, the prevention of waste and the protection of correlative rights?

A. Yes.

JIM KAISER: Nothing further of this witness at this time, Mr. Chairman.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Do you have anything further?

JIM KAISER: Mr. Chairman, we'd ask that the application be approved as submitted.

BENNY WAMPLER: Is there a motion?

MARY QUILLEN: Motion to approve.

PEGGY BARBAR: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying
yes.

(All Board members signify by saying yes, but
Donnie Ratliff.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: Opposed, say no.

DONNIE RATLIFF: I abstain.

BENNY WAMPLER: You have approval. We've got one
abstention, Mr. Ratliff. Next is a petition from Equitable
Production Company for pooling of coalbed methane unit VC-
501843. This is docket number VGOB-06-1114-0763. We'd ask
the parties that wish to address the Board in this matter to
come forward at this time.

JIM KAISER: Mr. Chairman and Board members,
again, Jim Kaiser and Don Hall for Equitable Production
Company. We have a complete revised set of exhibits to pass
out. That will include a B, B-2, B-3 and an E.

(Mr. Hall passes out revised exhibits.)

BENNY WAMPLER: Bob, do you want to see if the other lady, if this is the one she wanted and see if she's out there somewhere that you can tell her---.

KAREN T. TAYLOR: I think she went to her car to get something.

BENNY WAMPLER: Okay.

COURT REPORTER: What is your name, ma'am?

KAREN T. TAYLOR: My name is Karen T. Taylor.

JIM KAISER: Do you want to skip to another one or just wait?

BENNY WAMPLER: I don't...you know, ma'am, do you think you can cover the issues or is that somebody else that...do you need her here for your part in the discussion? I don't know anything about what you're interested in. I have to have you come up. You're welcome to speak, but I have to have you come up because we can't get it recorded.

JIM KAISER: Let's just wait...let's just wait.

DON HALL: Okay.

BENNY WAMPLER: We'll take a five minute break right now and just, you know, so that we don't have an issue of somebody not being here. We'll come back and start...restart it, okay? We're just going to take a five minute break, the Board, and then we'll restart.

LOUISE COMPTON: After I got down the steps,

you're going to dismiss?

BENNY WAMPLER: No.

JIM KAISER: No, they're just going to take a break so the other young lady can get back here.

BENNY WAMPLER: We're going to make sure we don't miss somebody here or try to.

JIM KAISER: She seemed interested.

KAREN T. TAYLOR: Well, she will be right back.

BOB WILSON: She needs to hear the whole thing though. They're just to take a five minute break and give her a chance to get back in and then we'll resume.

LOUISE COMPTON: This whole business is new to me.

COURT REPORTER: Your name, please.

LOUISE COMPTON: I'm here...I'm Louise Compton.

BENNY WAMPLER: Go off the record.

BOB WILSON: This is off the record.

BENNY WAMPLER: We're off the record right now.
I'm sorry.

(Off record.)

BENNY WAMPLER: Back on record. This is docket number VGOB-06-1114-1763. I've asked the parties that wish to address the Board in this matter to come forward at this time. I'm going to ask you to restate---.

JIM KAISER: Okay. Jim Kaiser and Don Hall on

behalf of Equitable Production Company.

BENNY WAMPLER: Did I call 64?

DON HALL: No, you called 63.

BENNY WAMPLER: That's the one we're on.

DON HALL: 1763.

JIM KAISER: 1763 is the right number.

BENNY WAMPLER: Okay. Go ahead. Ma'am, I'll need you to go ahead and state your name for the record again, please.

KAREN T. TAYLOR: My name is Karen T. Taylor.

BENNY WAMPLER: Okay. Ma'am, if you're going to speak, we'll need you to state your name for the record over here where the mic can pick up.

BRENDA JOETTA BARTON: Brenda Joetta Barton.

BENNY WAMPLER: Thank you.

BRENDA JOETTA BARTON: Uh-huh.

BENNY WAMPLER: Okay. The record will show no others. You may proceed.

DON HALL

DIRECT EXAMINATION

QUESTIONS BY MR. KAISER:

Q. Mr. Hall, do your responsibilities include the land in this unit and in the surrounding area?

A. They do.

Q. Are you familiar with Equitable's application seeking a pooling order for this well, which was dated October the 13th, 2006?

A. Yes.

Q. Does Equitable own drilling rights in the unit involved here?

A. We do.

Q. And prior to the filing of the application...after the filing of the application, were efforts made to contact each of the respondents named herein and an attempt made to work out an agreement regarding voluntary leases?

A. Yes.

Q. Okay. Now, we have submitted a revised set of exhibits for this hearing, which includes a B, B-2, B-3 and an E. Could you explain for the Board why we have those revised exhibits?

A. We picked up several leases since we made the application and those ones that are reflected as being the dismissed parties in Exhibit B-2.

Q. So, if we direct the Board and others to B-2, then those parties listed under dismissed would be the additional leases that we picked up since the time of the

filing of the application?

A. That's correct. That's the purpose of the revised exhibit to reflect that.

Q. Okay. So, now...right now, at the time of hearing, what is the percentage of the gas estate within the unit that is under lease to Equitable?

A. We have...at the present time, we have 98.01933% leased.

Q. Is that right?

A. Yes.

Q. That's not what the exhibit shows.

BENNY WAMPLER: That's not what's in the exhibit.

MARY QUILLEN: That's not what's in Exhibit B.

A. I'm sorry.

BRENDA JOETTA BARTON: I don't believe that's correct.

A. I'm sorry. It's 98.6035%.

Q. Okay. And a 100% of the coal estate is under lease?

A. Yes, yes.

Q. Okay. So, that means that the percentage of the gas estate within the unit remains unleased is 1.396500?

A. That's correct, yes.

Q. Okay. There aren't any unknown interest owners within this unit, is that correct?

A. That's correct.

Q. So...that's good. And the addresses set out in Exhibit B to the application are the last known addresses for the respondents?

A. They are.

Q. Are you requesting this Board to force pool all unleased interest listed at revised Exhibit B-3?

A. Yes.

Q. Are you familiar with the fair market value of drilling rights in the unit here and in the surrounding area?

A. Yes.

Q. Could you advise the Board as to what those are?

A. We pay a five dollar bonus on a five year term with a one-eighth royalty.

Q. In your opinion, do the terms you've testified to represent the fair market value of and the fair reasonable compensation to be paid for drilling rights within this unit?

A. They do.

JIM KAISER: Mr. Chairman, as to the statutory

election options afforded the unleased parties and their time frames within which to make those, we'd ask that the testimony previously taken in docket number 1685-01 incorporated for purposes of this hearing.

BENNY WAMPLER: That will be incorporated.

Q. Mr. Hall, we do need...the Board does need to establish an escrow account for this well, is that correct?

A. That's correct.

Q. And that will cover Tracts 2 and 3?

A. Yes.

Q. Okay. And who should be named operator under any force pooling order?

A. Equitable Production Company.

Q. And the total depth for this proposed well?

A. It's 2504 feet.

Q. The estimated reserves for the unit?

A. 330 million cubic feet.

Q. Has an AFE been reviewed, signed and submitted to the Board as Exhibit C?

A. Yes.

Q. In your opinion, does it represent a reasonable estimate of the well costs?

A. Yes.

Q. Could you state for the Board both the dry hole costs and completed well costs for this well?

A. The dry hole costs is \$148,504 and the completed well costs is \$326,591.

Q. Do these costs anticipate a multiple completion?

A. They do.

Q. Does your AFE include a reasonable charge for supervision?

A. Yes.

Q. In your professional opinion, would the granting of this application be in the best interest of conservation, the prevention of waste and the protection of correlative rights?

A. Yes.

JIM KAISER: Nothing further of this witness at this time, Mr. Chairman.

BENNY WAMPLER: Did you state the TD, the total depth?

DON HALL: 2504 feet.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Okay. We'll open it to questions

that you have, starting with you. Any questions you have of them of the application?

KAREN T. TAYLOR: I would like to have an application.

BENNY WAMPLER: You don't have their application.

KAREN T. TAYLOR: Yeah, I do right here.

BENNY WAMPLER: Do you have any questions that you want to ask them?

KAREN T. TAYLOR: Unh-huh.

BENNY WAMPLER: Okay, okay. Ma'am?

BRENDA JOETTA BARTON: Yeah. They say Tracts 2 and 3. Are you sure that that's not Tracts 6 and 8 because on my deed of the ownership of all Tiller lands, the two tracts which you're referring to is Tract 6 50 and 158.15 acres. Tract 8---.

MARY QUILLEN: There's not a 6 and 8 in this.

BRENDA JOETTA BARTON: ---is the other one of, let's see, 49 acres.

DON HALL: Is that the tract numbers in the deed?

BRENDA JOETTA BARTON: That's the tract numbers in the deed.

DON HALL: These are tract numbers on the plat. The plat is---.

BRENDA JOETTA BARTON: I would like to see a copy

of that plat and as well as a copy of the lease...the signatures of the ones you have leased now.

DON HALL: Do you have---?

BRENDA JOETTA BARTON: It may be in mailbox. It may have came yesterday. I don't know. I haven't received that, no.

DON HALL: You should have received it a month ago.

BRENDA JOETTA BARTON: Well, I certainly didn't receive it a month ago, that's for sure.

JIM KAISER: What's your name?

BRENDA JOETTA BARTON: Brenda Barton, P. O. Box 444. You've sent me stuff prior, but you've also sent stuff to a wrong address as well that I've tried to have correct on several occasions.

DON HALL: Do you not have a copy of this application?

BRENDA JOETTA BARTON: I do not. I also would like to know the interest...you have certain people getting more of a percentage than other people in the family. I would, you know, kind of like to know why.

DON HALL: Because---.

JIM KAISER: Let's go back to her first...other question. I have a green card from you, Ms. Barton, that

says that you signed for this on 10/20/06, so you should have it.

BRENDA JOETTA BARTON: Well, that's...that's the only one I have, then there's only...there's 98% leased. There's more unleased than leased on my copy.

JIM KAISER: Well, that's why we had a revised exhibit. It shows some new leases.

BRENDA JOETTA BARTON: This one right here?

JIM KAISER: That's probably the one you got. Then we've got a revised---

BRENDA JOETTA BARTON: Well, I haven't received any revised exhibits.

JIM KAISER: Well, you wouldn't. We just gave it out today.

LOUISE COMPTON: Do you have any extras?

BENNY WAMPLER: Does she have a copy of that?

JIM KAISER: Uh?

BRENDA JOETTA BARTON: He just handed me one right there.

JIM KAISER: He just handed her one.

BENNY WAMPLER: Okay.

JIM KAISER: See, when we filed the application there was 96.04 and change with 3.956 unleased. Since then we've...the additional leases cover about another 2%.

DON HALL: And that's not just referring to the Tiller acreage. That's referring to the unit.

JIM KAISER: It's...it's the whole unit---.

DON HALL: The whole unit...everybody in the unit.

JIM KAISER: ---and not just your tract.

BRENDA JOETTA BARTON: When you speak of the whole unit, exactly are you talking about---?

JIM KAISER: 58.77 acres, the whole square.

BRENDA JOETTA BARTON: And then the 70...the 49...the 49 acres as well, those two tracts? Those are the two that are in question, the 50.15 and the 49, Tracts 6 and 8, correct?

DON HALL: It's 2 and 3 on the tract.

BRENDA JOETTA BARTON: Well, but it's 6 and 8 on the deed.

JIM KAISER: Right. 2 and 3 on the plat.

BRENDA JOETTA BARTON: It's 6 and 8 on the deed.

JIM KAISER: Okay. All right.

BRENDA JOETTA BARTON: Right.

KAREN T. TAYLOR: Oh, by the way, my name is Karen T. Taylor and the Tract number T-238.

DON HALL: Pardon?

KAREN T. TAYLOR: Tract T-238.

DON HALL: Uh-huh. That's where the well is.

That's---.

KAREN T. TAYLOR: Yeah, that's where the well is.

DON HALL: ---Pine Mountain's property.

KAREN T. TAYLOR: Uh-huh.

JIM KAISER: Okay, where were we?

BRENDA JOETTA BARTON: I have another question as well. I'd like to know why a lot of these spouses are added to this list when prior contracts with Equitable, no spouses were added. As a matter of fact, I know for a fact that four of these spouses are at least in one Will they stipulated them not to be profiting from anything in regard to Chan Barton, but they're listed. I have a document right here that shows another spouse as being a non-owning spouse through the conveyances of love and affection of lands to other family members. They are a non-owning spouse, which means they are no entitled to any of this, yet I see her name here and she has leased it out.

BENNY WAMPLER: Mr. Hall.

DON HALL: The Virginia statute says that if someone dies intestate and doesn't have children by a surviving spouse that the surviving spouse gets 100% of the property. That was effective in '82. Our position when we're leasing is that spouse has a potential ownership in the property. You know, without access to a lease...I mean,

to a Will, which is not recorded until after their death, we don't know what the party is going to do as far disposing of the property. So, we have to go by the intestate law at the time.

BRENDA JOETTA BARTON: So, this is a 1982 law. Well, then, I have documents that show where the Bartons signed off on and none of their spouses were included on anything. My mother signed it, which legally my brother and I are the heirs-of-law of my father. We're the blood of Ira Barton and not my mother. My aunt's uncle, my aunt's husband James was not included, my other uncles' wives were not included and my...her husband wasn't included. They weren't included on prior documents where you drilled wells. Why are they included on all of these now?

DON HALL: I can't answer---.

BRENDA JOETTA BARTON: That's 1982. They should...these were '99 and '95 documents that were all signed. If they were not legally supposed to be signing those then, why are they signing them now?

DON HALL: I can't answer about what happened prior to---.

BRENDA JOETTA BARTON: Well, you should be able to answer that---.

BENNY WAMPLER: Ma'am, don't interrupt. Let him

answer. I'll let you ask the question. I'll let you say what you want to say, but don't interrupt. We need to keep this where we have a record. When you're talking over someone, the record can't be made.

DON HALL: I can't really address what happened prior. I don't have that information before me. All I'm here today to talk about is this particular location.

BRENDA JOETTA BARTON: So, this document here that states as my aunt being a non-owning spouse is invalid, meaning she is an owning spouse?

DON HALL: What is that document?

BRENDA JOETTA BARTON: That's something that... there's...you guys are drilling up on this property too that is not necessarily Tiller property. It is, in fact, Barton property, but she is non-owning spouse, so this document says, okay.

DON HALL: Okay.

BENNY WAMPLER: Other questions?

BRENDA JOETTA BARTON: Yeah, like I said, these interests that you have a percentage, Charlton has a 1.1%, Chad .2, Peg .1. Why is there a difference in percentages? Are you making different deals with different people in this family, giving some more than others?

DON HALL: It's their percentage of ownership in

the property. I mean, they...if there's a parent who passes away and he has two kids, they get half each of what he had. If they have six kids, they get a sixth each. So, the percentages are different based on---.

BRENDA JOETTA BARTON: Well, I would imagine Louise and my uncle Chad owning the exact same percent everything their mother had, everything Evans' had. They own the exact same percentage.

DON HALL: Well, that's what our records indicate and what we've determined. We deal with what we've determined.

BENNY WAMPLER: And, ma'am, the whole purpose here...this all would be paid until escrow just for the reasons that you're bringing up. All of that would have to be settled in Court as to who were the rightful owners before any of this is paid out.

BRENDA JOETTA BARTON: Well, right here I have...I can tell you who the rightful owners are right here from the Deed Book from the 1920s.

BENNY WAMPLER: We don't...this Board doesn't make those decisions though.

BRENDA JOETTA BARTON: Well, I'd like also...this was sent to me in my pamphlet. It says, "Dear Ms. Barton: Enclosed please find new leases with the corrections you

requested. You may be interested to know that Pine Mountain Oil and Gas has indicated they will agree to a 75/25 split of the gas interest on CBM wells involving Evans/Tiller heirs. That is 75% for Evans/Tiller and 25% for Pine Mountain." Do you know anything about this or did someone just stick that in my thing for a joke? Is this exactly what is being---

DON HALL: Those are...those are some of the splits that are being done with Pine Mountain, yes.

BRENDA JOETTA BARTON: Okay. But there's no name. There's no date. It's, you know...it's probably not legible in law. It's probably not even...it's probably not valid in a Courtroom because there is no date and there is no signature on it.

DON HALL: Well, that's something that you have to work out between you and Pine Mountain. We're just advising you that they might be willing to do that. That's between--
-.

BENNY WAMPLER: The only thing---

DON HALL: ---you and Pine Mountain.

BENNY WAMPLER: Excuse me. The only time that would...that would be of interest to the Board would be at the point that you came before the Board and Pine Mountain came before the Board for payout saying that we have

resolved the ownership interest in this unit and we want the money paid directly to us. That's when we would be interested in any document like that and have debate on the validity of that document. But as to now, this hearing is about pooling of this unit. When he's talking...you might explain the unit versus the entire...because a minute ago you said the land too...the land. You're really talking about this unit that's before the Board.

DON HALL: Right. There's...you obviously don't have a copy of this. But anyway, this is a 58.77 acre unit. Oh, you do have a copy of it.

BRENDA JOETTA BARTON: I don't know if I have the map. If it is, it's on a different page.

DON HALL: It's toward the front.

BRENDA JOETTA BARTON: But I can...I can listen to you while I'm not looking at you though.

DON HALL: Anyway, the Tiller tracts that contribute acreage to this unit is Tracts 2 and 3. These are the numbers of the tracts in this unit and not the number in the deed. These tracts contribute...Tract 3 contributes 0.97% to the unit and Tract 2 contributes 7.01% to the unit. That's the percentage of that acreage that falls within this drilling unit. The rest of the unit is owned by Pine Mountain. They own the coal, oil and gas,

coalbed methane and so forth. So, this...what you see on this eastern side---.

BRENDA JOETTA BARTON: They own it? When did they...who did they buy it from?

DON HALL: They bought it from Charles Barnette.

BRENDA JOETTA BARTON: Then why is the farm still in Barnette's name. It says, "Barnette Farm T-238".

DON HALL: Because that's their Tract name.

BRENDA JOETTA BARTON: Oh, they didn't change the name? They didn't take it out of the name of the seller?

DON HALL: Yeah, they took it out of the name. They just identified it as the Charles Barnette Tract that they bought.

BRENDA JOETTA BARTON: Oh, okay.

DON HALL: Like this is...I mean, like this tract is called the Evans/Tiller Tract. He don't own it anymore. But it's called the Evans/Tiller tract.

BRENDA JOETTA BARTON: So when you talk about pooling, you're talking about capturing all of the other wells that are existing and getting the pipe line to where is sucks into one mainframe into a farm or---?

DON HALL: No.

BRENDA JOETTA BARTON: No?

DON HALL: No, we're talking about including these

portions of these tracts within this drilling unit and we're going to drill the well on this drill unit and these portions of the tracts will share in the royalty based on their percentage in the unit.

BRENDA JOETTA BARTON: On the ones that already exist?

DON HALL: No, on this well here.

BRENDA JOETTA BARTON: On these that are, yeah, in production that you're going to put in?

DON HALL: Yeah, this well right here.

JIM KAISER: Just one well.

BRENDA JOETTA BARTON: The five...the five that you're proposing?

DON HALL: No, this well right here.

JIM KAISER: Just one well.

BRENDA JOETTA BARTON: Just the one that you're proposing?

BENNY WAMPLER: The only thing before us is this one well for this here.

DON HALL: We have other wells proposed and we've been talking to the family about leasing them for those wells as well. But this...in this particular case, this is the only well that we're discussing today.

BRENDA JOETTA BARTON: And where exactly is this

one at in like say, if you're driving up past where the old home place was, is it on the left or on the right hand side of the road? Is it near the cemetery whatsoever?

DON HALL: I'm not sure.

BRENDA JOETTA BARTON: You're not sure, okay.

BENNY WAMPLER: Do you have other questions?

BRENDA JOETTA BARTON: Not on this. I'm fine. I can't get any straight answer anyways.

BENNY WAMPLER: Do you have anything further?

KAREN T. TAYLOR: Pardon?

BENNY WAMPLER: Did you have anything further?

KAREN T. TAYLOR: No.

BENNY WAMPLER: Any Board members have anything further?

(No audible response.)

BENNY WAMPLER: Do you have anything further?

JIM KAISER: We'd ask that the application be approved as submitted with the revised set of exhibits.

BENNY WAMPLER: Is there a motion?

PEGGY BARBAR: Motion to approve.

MARY QUILLEN: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying

yes.

(All Board members signify by saying yes, but Donnie Ratliff.)

BENNY WAMPLER: Opposed, say no.

DON HALL: I abstain, Mr. Chairman.

BENNY WAMPLER: You have approval. One abstention, Mr. Ratliff.

KAREN T. TAYLOR: Pardon?

BENNY WAMPLER: Just had one abstention. He didn't vote, Mr. Ratliff didn't. So, we did approve for them to go ahead and put this into escrow.

KAREN T. TAYLOR: Okay.

BENNY WAMPLER: The next item on the agenda is a petition from Equitable Production Company for creation and pooling of conventional gas unit V-535688, docket number VGOB-06-1114-1764. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

JIM KAISER: Mr. Chairman, Jim Kaiser and Don Hall on behalf of Equitable Production Company.

BENNY WAMPLER: The record will show no others. You may proceed.

DON HALL

DIRECT EXAMINATION

QUESTIONS BY MR. KAISER:

Q. Mr. Hall, do your responsibilities include the land involved in this unit?

A. They do.

Q. Are you familiar with the application that we filed seeking to establish a drilling unit and pool any unleased interest in this well V-535688 dated October the 13th, 2006?

A. Yes.

Q. Does Equitable own drilling rights in the unit here?

A. We do.

Q. And prior to the filing of the application, were efforts made to contact each of the respondents and an attempt made to work out a voluntary lease agreement?

A. Yes.

Q. And what percentage of the oil and gas interest within this unit is under lease to Equitable?

A. We have 92.7662% leased.

Q. And so the unleased at this time is 7.2338?

A. That's correct.

Q. Okay. Are all unleased parties set out at Exhibit B-3?

A. They are.

Q. And we don't have any unknown entities in this unit?

A. No.

Q. Are the addresses set out in Exhibit B to the application the last known addresses for the respondents?

A. Yes.

Q. Are you requesting this Board to force pool all unleased interest listed at Exhibit B-3?

A. We are.

Q. Again, are you familiar with the fair market value of drilling rights in this unit?

A. Yes.

Q. Could you advise the Board as to what those are?

A. We pay a five dollar bonus on a five year term with a one-eighth royalty.

Q. In your opinion, do the terms you've testified to represent the fair market value of and the fair reasonable compensation to be paid for drilling rights within this unit?

A. They do.

JIM KAISER: Now, Mr. Chairman, we'd ask that the

testimony previously taken regarding the statutory election options afforded any unleased parties in item 1685-01 be incorporated for purposes of this hearing.

BENNY WAMPLER: That will be incorporated.

Q. We do not...the Board does not need to establish an escrow account in this case, do they?

A. No.

Q. And who should be named operator under the force pooling order?

A. Equitable Production Company.

Q. The total depth of this proposed well?

A. 66...6766 feet.

Q. The estimated reserves?

A. 400 million cubic feet.

Q. Has an AFE been reviewed, signed...reviewed, signed and submitted to the Board as Exhibit C?

A. Yes.

Q. In your opinion, does it represent a reasonable estimate of the well costs?

A. It does.

Q. Could you state for the Board both the dry hole costs and completed well costs for this well?

A. The dry hole costs is \$254,736 and the

completed well costs is \$487,747.

Q. Do these costs anticipate a multiple completion?

A. They do.

Q. Does your AFE include a reasonable charge for supervision?

A. Yes.

Q. In your professional opinion, would the granting of this application be in the best interest of conservation, the prevention of waste and the protection of correlative rights?

A. Yes.

JIM KAISER: Nothing further of this witness at this time, Mr. Chairman.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Do you have anything further?

JIM KAISER: We'd ask that the application be approved as submitted, Mr. Chairman.

BENNY WAMPLER: Is there a motion?

MARY QUILLEN: Motion to approve.

PEGGY BARBAR: I'll second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes, but Donnie Ratliff.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval.

DONNIE RATLIFF: I abstain, Mr. Chairman.

BENNY WAMPLER: Mr. Ratliff abstains. Next is a petition from Equitable Production Company for creation and pooling of conventional gas unit V-537538. This is docket number VGOB-06-0...I'm sorry, -1114-1765. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

JIM KAISER: Mr. Chairman and Board members, again, Jim Kaiser and Don Hall for Equitable Production Company. We, again, have a total revised set of exhibits, B, B-2, B-3 and E, again, because we've picked up some additional leases since the application was filed.

(Mr. Hall passes out revised exhibits.)

DON HALL

DIRECT EXAMINATION

QUESTIONS BY MR. KAISER:

Q. Mr. Hall, again, do your responsibilities include the land involved here and in the surrounding area?

A. They do.

Q. Are you familiar with the application that we filed seeking to establish a drilling unit and pool any unleased interest in this unit, which was dated October the 13th, 2006?

A. Yes.

Q. Does Equitable own drilling rights in the unit involved here?

A. Yes.

Q. And prior to the filing of the application, were efforts made to contact each of the interest owners within the unit and an attempt made to work out a voluntary lease agreement?

A. Yes.

Q. Okay. At the time we filed the application, there was 66.1625% of the unit under lease to Equitable. Since that time you have continued to attempt to lease unleased parties and it looks like you've picked up one lease?

A. That's correct.

Q. Tract 6, a Larry Gene and Diane Stanley?

A. Yes.

Q. Okay. So, at this point in time, what is the percentage under lease to Equitable?

A. We have 66.4125% leased.

Q. And the percentage of the unit unleased?

A. 33.5875%.

Q. Okay. In this particular unit, there are some unknown and unlocateable folks?

A. Yes.

Q. And, again, you made reasonable and diligent efforts to attempt to find them---?

A. Yes.

Q. ---including contacting their fellow family members?

A. That's correct.

Q. Are the addresses set out in revised Exhibit B the last known addresses for the respondents?

A. Yes.

Q. Are you requesting this Board to force pool all unleased interest listed at revised Exhibit B-3?

A. Yes.

Q. Again, are you familiar with the fair market value of drilling rights in this unit?

A. Yes.

Q. Could you advise the Board as to what those are?

A. We pay a five dollar bonus on a five year term with a one-eighth royalty.

Q. Do these terms that you've testified to, in your opinion, represent the fair market value of and the fair reasonable compensation?

A. They do.

JIM KAISER: Again, Mr. Chairman, we'd ask that the statutory election option testimony be incorporated for purposes of this hearing as taken in 1685-01.

BENNY WAMPLER: That will be incorporated.

Q. Don, we do need to establish an escrow account in this case, correct?

A. Yes.

Q. And that will cover proceeds from Tracts 2 and 5, is that right?

A. Yes.

Q. And who should be named operator under any force pooling order?

A. Equitable Production Company.

Q. What's the total depth of this well?

A. It's 5739 feet.

Q. The estimated reserves for the unit?

A. 250 million cubic feet.

Q. Has an AFE been reviewed, signed and submitted to the Board as Exhibit C?

A. Yes.

Q. In your opinion, does it represent a reasonable estimate of the well costs?

A. Yes.

Q. Could you state for the Board both the dry hole costs and completed well costs for this well?

A. The dry hole costs is \$216,292 and the completed well costs is \$442,611.

Q. Do these costs anticipate a multiple completion?

A. They do.

Q. Does your AFE include a reasonable charge for supervision?

A. Yes.

Q. In your opinion, would the granting of this application be in the best interest of conservation, the prevention of waste and the protection of correlative rights?

A. Yes.

JIM KAISER: Nothing further of this witness at this time, Mr. Chairman.

BENNY WAMPLER: Mr. Hall, on your Exhibit B-3, page two of three, under the George Reedy and Vesta heirs. You say five additional children. Give me a little background on that.

DON HALL: Well, again, as Mr. Kaiser indicated, we got this information from family members. Obviously, in this case, the family member said...you know, he knew the name and said they had five kids, but they didn't know what their names were and where they lived---.

BENNY WAMPLER: So nobody knew even their name...any of the names?

DON HALL: No. No, they just knew that they...you'd be surprised how little families know about each other sometimes.

JIM KAISER: Yeah, we've got all of these Wallen heirs that are unknown. You probably know Buddy Wallen, don't?

BENNY WAMPLER: Uh-huh.

JIM KAISER: You know, he lives right around the corner from me and he couldn't even tell us where these people are.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Do you have anything further?

JIM KAISER: We'd ask that the application be approved as submitted with the revised set of exhibits.

BENNY WAMPLER: Is there a motion?

MARY QUILLEN: Motion to approve.

BENNY WAMPLER: Second?

PEGGY BARBAR: Second.

BENNY WAMPLER: Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes, but Donnie Ratliff.)

DONNIE RATLIFF: I abstain, Mr. Chairman.

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: One abstention, Mr. Ratliff. You have approval. Next is a petition from Equitable Production Company for creation and pooling of conventional gas unit V-536779. This is docket number VGOB-06-1114-1766. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

JIM KAISER: Mr. Chairman and Board members, again, Jim Kaiser and Don Hall on behalf of Equitable

Production Company.

BENNY WAMPLER: The record will show no others.
You may proceed.

JIM KAISER: Again, we're passing out a revised set of exhibits and we would point you to Exhibit B-2, which will show six dismissed parties which are additional leases and then one added party, which Don will have to explain.

(Mr. Hall passes out revised exhibits.)

(Mr. Kaiser and Mr. Hall confer.)

JIM KAISER: Okay. Then in Tract 8, subsequent title work indicate that Arbutus Davis---.

BENNY WAMPLER: I need you to back up. I missed totally what you just said.

JIM KAISER: I'm sorry. We'd point the Board...in this revised set of exhibits to Exhibit B-2---.

BENNY WAMPLER: Right.

JIM KAISER: ---which will reflect what has happened since we filed the application on the 13th of October and you'll see under dismissed, one, two, three, four, five, six different parties, all who were unleased at the time of the application and now are leased.

BENNY WAMPLER: Okay.

JIM KAISER: And then you'll see under added, Arbutus Davis, widow. Subsequent title work revealed that

she had a half interest, I guess, in that...in Tract 8 that was not reflected in the original application, but I guess which is reflected as all being owned by Vester and Edna Meade and she has leased.

BENNY WAMPLER: Okay.

DON HALL

DIRECT EXAMINATION

QUESTIONS BY MR. KAISER:

Q. Okay, Mr. Hall, do your responsibilities include the land involved here and in the surrounding area?

A. Yes.

Q. Are you familiar with the application that we filed seeking to establish a drilling unit and pool any unleased interest, which was dated October the 13th, 2006?

A. Yes.

Q. Equitable owns drilling rights in the unit involved, right?

A. We do.

Q. And at the time that we filed our application, the interest in the gas estate that was under lease to Equitable was 72.79%, is that correct?

A. That's correct.

Q. And then subsequent to the filing of the

application, you continued to attempt to lease the unleased parties and have picked up the additional leases as we just talked about being reflected in Exhibit B-2 such that the percentage of the gas estate that's now under lease to Equitable is 76.10%?

A. Yes.

Q. Okay. And the percentage of the unit that remains unleased is 23.90%?

A. That's correct.

Q. Okay. And are all unleased parties set out in revised Exhibit B-3?

A. They are.

Q. We do have an unknown interest owner in Tract 22. Were reasonable and diligent efforts made to locate that respondent?

A. Yes.

Q. Are the addresses set out in Exhibit B... revised Exhibit B to the application the last known addresses for the respondents?

A. They are.

Q. Are you requesting the Board to force pool all unleased interest as they are listed at Exhibit B-3?

A. Yes.

Q. Again, are you familiar with the fair...

familiar with the fair market value of drilling rights within this unit?

A. Yes.

JIM KAISER: Mr. Chairman, we'd again ask that the statutory election option testimony first take in 1685-01 be incorporated for purposes of this hearing.

BENNY WAMPLER: That will be incorporated.

Q. Mr. Hall, we do need to establish an escrow account for the one unknown respondent in Tract 22, is that correct?

A. That's correct.

Q. And who should be named operator under the force pooling order?

A. Equitable Production Company.

Q. The total depth of the proposed well?

A. 580...5840 feet.

Q. 5840?

A. Yes.

Q. And the estimated reserves for the unit?

A. 400 million cubic feet.

Q. Has an AFE been reviewed, signed and submitted to the Board as Exhibit C?

A. Yes.

Q. In your opinion, does it represent a

reasonable estimate of the well costs?

A. It does.

Q. Could you state for the Board both the dry hole costs and completed well costs for this well?

A. The dry hole costs is \$301,406 and the completed well costs is \$598,186.

Q. Do these costs anticipate a multiple completion?

A. They do.

Q. Does your AFE include a reasonable charge for supervision?

A. Yes.

Q. In your professional opinion, would the granting of this application be in the best interest of conservation, the prevention of waste and the protection of correlative rights?

A. Yes.

JIM KAISER: Nothing further of this witness at this time, Mr. Chairman.

BENNY WAMPLER: It's interesting that they could tell you that Ms. Edwards is single, but they didn't know where she was.

(Laughs.)

BOB WILSON: Maybe that's why.

(Laughs.)

BENNY WAMPLER: We will need you to revise the tract supplemental sheet as well to reflect the leases.

DON HALL: Oh, the---.

JIM KAISER: Oh, the information sheet with the plat.

DON HALL: Where it says "unleased"?

BENNY WAMPLER: Yes.

DON HALL: Oh, okay. Yeah.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Do you have anything further?

(No audible response.)

JIM KAISER: We'd ask that the application be approved as submitted with the revised set of exhibits and with the condition that we'll revise the mineral interest sheet to the plat.

DON HALL: Supplemental sheet.

JIM KAISER: Supplemental sheet to the plat.

BENNY WAMPLER: Is there a motion?

PEGGY BARBAR: Motion to approve.

MARY QUILLEN: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes, but Donnie Ratliff.)

BENNY WAMPLER: Opposed, say no.

DONNIE RATLIFF: I abstain, Mr. Chairman.

BENNY WAMPLER: Mr. Ratliff abstains. Next is a petition from Equitable Production Company for a well location exception for proposed well V-536778. This is docket number VGOB-06-1114-1767. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

JIM KAISER: Mr. Chairman and Board members, Jim Kaiser and Don Hall on behalf of Equitable Production Company. Do you got an exhibit?

DON HALL: Yeah.

JIM KAISER: We've got an exhibit we'd like to pass out, please.

DON HALL: Give me a second...give me a second to get organized here.

(Mr. Hall passes out an exhibit.)

DON HALL

DIRECT EXAMINATION

QUESTIONS BY MR. KAISER:

Q. Mr. Hall, do your responsibilities involve the land in this unit and the surrounding area?

A. Yes.

Q. Are you familiar with the application that we filed seeking a location exception?

A. Yes.

Q. Have all interested parties been notified as required by Section 4(B) of the Virginia Gas and Oil Board Regulations?

A. They have.

Q. Would you indicate for the Board the ownership of the oil and gas in the unit for well V-536778?

A. We have a 100% leased or pooled.

Q. Okay. And we're seeking a location exception from 536777. Is that the reciprocal well?

A. Yes.

Q. And does Equitable have the right to operate that well?

A. We do.

Q. So, there are no correlative rights issues?

A. No.

Q. Okay. Could you explain for the Board, in

conjunction with the exhibit that we just passed out, which I guess, we'll make Exhibit A to the hearing, the reasons why we're seeking this exception?

A. Well, this well was force pooled a couple...in August. At the time, we missed the fact that it also made it a location exception. The reason that we need an exception is that if you'll look at the exhibit, in conjunction with the plat...the map that I just passed out in conjunction with the plat, the radius that you see around 6777 is a 2500 foot radius indicating where we would have to put the well to get a legal distance from 6777, which we would...from the stand point of finding a suitable location would be to the west about three-quarters of an inch in that flat area there. But that puts it across the lease line onto another tract that we...we have leased---.

Q. Severed---.

A. Pardon?

Q. Go ahead, I'm sorry.

A. ---we have leased, but we preferred that we did not put it in that particular area because they do legitimately have a potential house site there that they're planning on using. So, we...we backed it up and kept it on the other tract, being Tract 1 on our plat, to stay out of their area that they plan to build.

BENNY WAMPLER: Who...who are we talking about,
Don?

A. Wilford Dotson heirs is Tract 2...Wilford
Dotson. Alethea June Stanley is the surface owner.

BENNY WAMPLER: Okay.

(Mr. Hall and Mr. Kaiser confer.)

Q. So, it's a severed tract that we have a
lease on, but we're trying to accommodate the surface owner?

A. It's not a severed mineral tract. Alethea
Stanley owns the surface and Wilford Dotson owns the oil and
gas and he has a life estate in the surface. That's his
daughter. They asked us not to drill that in that
particular area. It was basically an attempt to
satisfy...to work with the property owners. In other areas
there, the topography is relatively steep and doesn't lend
itself to a location very well.

BENNY WAMPLER: Does this fit the pattern, I don't
mean to interrupt your questioning, but for any other well
drilling in this area?

A. Yes, it does. There's other wells south of
this, but they're quite a distance and there will be room to
put other wells in between. So, this works with the
pattern.

BENNY WAMPLER: It's a one time deal here---?

A. Yeah.

BENNY WAMPLER: ---as far as an exception and it's not creating others?

A. Right, right.

Q. And in the even this location exception were not granted, would you project the estimated loss of reserves?

A. 400 million cubic feet.

Q. And what's the total depth of this proposed well?

A. It's 5395 feet.

Q. Are you requesting this location exception to cover conventional gas reserves to include the designated formations as listed in the application from the surface to the total depth drilled?

A. Yes.

Q. In your opinion, would the granting of this application be in the best interest of preventing waste, protecting correlative rights and maximizing the recovery of the gas reserves underlying the unit for V-536778?

A. Yes.

JIM KAISER: Nothing further of this witness at this time, Mr. Chairman.

BENNY WAMPLER: Questions from members of the

Board?

(No audible response.)

BENNY WAMPLER: Is there a motion?

MARY QUILLEN: Motion to approve.

PEGGY BARBAR: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying
yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval.

DON HALL: Thank you all.

BENNY WAMPLER: Thank you. Next is a petition
from Chesapeake Appalachia, LLC for creation and pooling of
conventional gas unit 826091. This is docket number VGOB-
06-1114-1768. We'd ask the parties that wish to address the
Board in this matter to come forward at this time.

JIM KAISER: Mr. Chairman, Jim Kaiser, Dennis
Baker and Stan Shaw on behalf of Chesapeake Appalachia.

BENNY WAMPLER: I need to get you sworn,
gentlemen.

(Mr. Baker and Mr. Shaw are duly sworn.)

JIM KAISER: We'll start with Mr. Baker.

DENNIS BAKER

having been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

QUESTIONS BY MR. KAISER:

Q. Mr. Baker, if you'd state your name for the Board, who you're employed by and in what capacity?

A. Dennis Baker, Senior Land Representative, employed by Chesapeake Appalachia, LLC.

Q. Do your responsibilities include the land involved in this unit and in the surrounding area?

A. Yes, they do.

Q. Are you familiar with Chesapeake's application seeking to establish a drilling unit and pool any unleased interest in that unit for well number 82601...6091, which was dated October the 13th, 2006?

A. Yes.

Q. Does Chesapeake own drilling rights in the unit involved here?

A. Yes, we do.

Q. And prior to the filing of the application, were efforts made to contact each of the respondents and an

attempt made to work out a voluntary lease agreement?

A. Yes.

Q. And what is the interest under lease to Chesapeake within this unit?

A. The interest leased is 99.556305%.

Q. And, in fact, the...so, the percentage of the unit that remains unleased is 0.443695?

A. Yes.

Q. Okay. And are all unleased parties set out in Exhibit B-3?

A. Yeah.

Q. And we've identified all of the respondents and interest owners within the unit. There are no unknown parties, correct?

A. That's correct.

Q. And are the addresses set out in Exhibit B to the application the last known addresses for the respondents?

A. Yes.

Q. Are you requesting this Board to force pool all unleased interest as listed at Exhibit B-3?

A. Yes.

Q. Now, are you familiar with the fair market value of drilling rights in the unit here and in the

surrounding area?

A. Yes, I am.

Q. Could you advise the Board as to what those are?

A. A five dollar per acre consideration with a five year term with a one-eighth royalty.

Q. In your opinion, do the terms you've just testified to represent the fair market value of and the fair reasonable compensation to be paid for drilling rights within this unit?

A. Yes.

JIM KAISER: Mr. Chairman, again, we'd ask that the testimony regarding statutory election options first taken 1685-01 be incorporated for purposes of this hearing.

BENNY WAMPLER: Do you accept those terms?

JIM KAISER: Yes, I do.

BENNY WAMPLER: That will be incorporated.

JIM KAISER: Thank you.

Q. Mr. Baker, we do not need to establish an escrow account for this well, is that correct?

A. That's correct.

Q. And who should be named operator under any force pooling order?

A. Chesapeake Appalachia, LLC.

JIM KAISER: Thank you. Nothing further of this witness, Mr. Chairman.

BENNY WAMPLER: Questions of this witness from members of the Board?

(No audible response.)

BENNY WAMPLER: Call your next witness.

STAN SHAW

having been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

QUESTIONS BY MR. KAISER:

Q. Mr. Shaw, state your name, who you're employed by and in what capacity?

A. My name is Stan Shaw. I'm employed by Chesapeake Appalachia, LLC as a reservoir engineer.

Q. And you're familiar with the proposed exploration of this well?

A. I am.

Q. And the total depth of the proposed well?

A. 6,065 feet.

Q. The estimated reserves for the unit?

A. 325 million cubic feet.

Q. Are you familiar with the well costs?

A. Yes.

Q. Has an AFE been reviewed, signed and submitted to the Board as Exhibit C?

A. Yes.

Q. In your opinion, does it represent a reasonable estimate of the well costs?

A. It does.

Q. Could you state for the Board both the dry hole costs and the completed well costs for this well?

A. The dry hole costs is \$306,840 and the completed well costs is \$606,000.

Q. Do these costs anticipate a multiple completion?

A. Yes.

Q. Does your AFE include a reasonable charge for supervision?

A. Yes.

Q. In your professional opinion, would the granting of this application be in the best interest of conservation, the prevention of waste and the protection of correlative rights?

A. Yes.

JIM KAISER: Nothing further of this witness at this time, Mr. Chairman.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Do you have anything further?

JIM KAISER: We'd ask that the application be approved as submitted.

BENNY WAMPLER: Is there a motion?

PEGGY BARBAR: Motion to approve.

MARY QUILLEN: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval. Next is a petition from Chesapeake Appalachia, LLC for creation and pooling of conventional gas unit 826101. This is docket number VGOB-06-1114-1769. We'd ask the parties that wish to address the Board in this matter to come forward at this

time.

JIM KAISER: Mr. Chairman, in this case it will be Jim Kaiser and Stan Shaw on behalf of Chesapeake Appalachia. Mr. Shaw is passing out his exhibit for this hearing.

(Mr. Shaw passes out an exhibit.)

STAN SHAW

DIRECT EXAMINATION

QUESTIONS BY MR. KAISER:

Q. Mr. Shaw, do your responsibilities include the land involved in this unit and in the surrounding area?

A. Yes.

Q. Are you familiar with the application that we filed seeking a location exception?

A. I am.

Q. Have all interested parties been notified as required by Section 4(B) of the Virginia Gas and Oil Board Regulations?

A. Yes.

Q. Would you indicate for the Board the ownership of the oil and gas underlying this unit?

A. Chesapeake Appalachia has 100%.

Q. Okay. And we're seeking an exception from one well and that is 8...another proposed well 825---.

A. 527.

Q. ---52...yeah. And it's basically an exception of about 72 and a ½ feet, is that correct?

A. Yes.

Q. Will Chesapeake have the right to operate that reciprocal well?

A. We will.

Q. So, there's no correlative rights issues?

A. No.

Q. Okay. Now, you've passed an exhibit out to the Board. Could you explain, in conjunction with our application and your exhibit, while we're seeking this location exception?

A. Yeah. This one was...it was pre-approved by the coal and it's also a terrain issue for us. On the map that I've passed out from the surveyor, it shows the well road going in and then it's...the well is down at the end of a point and it's steeply dipping to the northeast, the northwest and the southeast off of that point. We had coal approval... preliminary coal approval on June the 16th on this one. It's in an area where it won't impact future mining.

Q. Okay. And could you project the estimated loss in reserves if this location exception were not

granted?

A. 400 million cubic feet.

Q. And the total depth of this proposed well?

A. 6,100 feet.

Q. In your opinion, would the granting of this location exception be in the best interest of preventing waste, protecting correlative rights and maximizing the recovery of the gas reserves underlying this unit?

A. Yes.

JIM KAISER: Nothing further of this witness at this time, Mr. Chairman.

BENNY WAMPLER: Would you restate the wells? I don't think that the record was real clear because both of you were talking during that time of what the...where you were...which well you wanted to put in and what your excepting to.

STAN SHAW: We'll be excepting from well...proposed well 825527, which---?

JIM KAISER: Now, it's 825522, isn't it?

STAN SHAW: Okay. This plat I have---.

BENNY WAMPLER: That's why I had you to go back to that because we need to get that straight.

STAN SHAW: I have another copy of the plat that might have been more recent.

JIM KAISER: Okay. So---.

STAN SHAW: Do you want me to pass---?

JIM KAISER: Yeah, pass that out. The plat that was filed with the application had---.

BENNY WAMPLER: The numbers weren't matching up with what I had.

JIM KAISER: Apparently, the plat that was filed with the application has got the wrong number on it...the wrong six digit number on the reciprocal well.

BENNY WAMPLER: Okay. Let him pass those out and then I'll get you---.

JIM KAISER: It should be 825...okay.

BENNY WAMPLER: We'll get that in that record once he does that.

(Mr. Shaw passes out a revised exhibit.)

BOB WILSON: Mr. Chairman, while he's doing that, I need to acknowledge too that we made an error in the docket.

BENNY WAMPLER: Yeah, I was going to go back to that too. On the exception versus...this is for an exception only and not...I called it as a proposal...creation and pooling of the gas unit and it's not. It is for a location exception only.

MARY QUILLEN: And it is an conventional---?

STAN SHAW: Yes.

BENNY WAMPLER: Yes.

JIM KAISER: In fact, we're going to pool it next month.

BENNY WAMPLER: All right. Now, let's go ahead and clean the record on this.

JIM KAISER: All right.

Q. Mr. Shaw, the well that... with the new plat that you just passed out, the well that we're actually...the proposed well that we're seeking the exception from is actually 825527?

A. Correct.

JIM KAISER: Okay.

BENNY WAMPLER: And your proposed well is?

Q The proposed well is 826101?

A. Yes.

BENNY WAMPLER: Okay. Other questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Do you have anything further?

JIM KAISER: We'd ask that...with the correction, that the application be approved as submitted, Mr. Chairman.

DONNIE RATLIFF: So moved, Mr. Chairman.

MARY QUILLEN: Second.

BENNY WAMPLER: Motion and a second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval. This will be Exhibit A that was handed out. Next is a petition from Dart Oil and Gas for pooling of a conventional gas unit Carter 040401, docket number VGOB-06-1114-1770. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

JIM KAISER: In this case, Mr. Chairman, it will be Jim Kaiser and Ed Diminick on behalf of Dart Oil and Gas. I'd ask that Mr. Diminick be sworn.

(Mr. Diminick is duly sworn.)

BENNY WAMPLER: The record will show no others. You may proceed.

ED DIMINICK

having been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

QUESTIONS BY MR. KAISER:

Q. Mr. Diminick, if you'd state your name for the Board, who you're employed by and in what capacity?

A. Ed Diminick, employed by Dart Oil and Gas Corporation. I'm the Appalachian District Manager.

Q. And you have previously testified before the Gas and Oil Board, correct?

A. I have.

Q. And do your responsibilities include the land involving this unit and in the surrounding area?

A. Yes, it is.

Q. And you're familiar with the application that we filed seeking a pooling order for Dart well Carter 040401?

A. Yes.

Q. And explain why we're not seeking to establish the drilling unit? We're just asking to pool any unleased interest---

A. Correct.

Q. ---because we have a...this well is within the Abb's Valley Field Rules, correct?

A. It is.

Q. And these are 200 acre squares?

A. Okay.

Q. Just to refresh the Board's memory and there may be some members who haven't seen one of these. It is a conventional field rule?

A. Yes.

Q. In Tazewell County?

A. Yes.

Q. Okay. Does Dart own drilling rights in the unit involved here?

A. Yes.

Q. And prior to the filing of the application, were efforts made to contact each of the respondents and an attempt made to work out a voluntary lease agreement?

A. Yes.

Q. And at this point in time, what is the interest within the unit that is under lease to Dart?

A. 91.45%

Q. And all the unleased parties are set out in Exhibit B-3 to the application?

A. Yes.

Q. So, the interest within the unit that remains unleased is 8.55%?

A. Yes.

Q. Okay. We don't have any unknown

respondents or unknown interest owners within the unit,
correct?

A. Yes.

Q. Are the addresses set out in Exhibit B to
the application the last known addresses for the
respondents?

A. Yes.

Q. Are you requesting this Board to force pool
all unleased interest listed at Exhibit B-3?

A. Yes.

Q. Are you familiar with the fair market value
of drilling rights in the unit here and in the surrounding
area?

A. Yes.

Q. Could you advise the Board as to what those
are?

A. It's twenty dollars an acre for a five year
paid up lease or a minimum a hundred dollars.

Q. In your opinion, do the terms you've
testified to represent the fair market value of and the fair
reasonable compensation to be paid for drilling rights
within this unit?

A. Yes.

JIM KAISER: Now, Mr. Chairman, again, we'd ask

that the testimony regarding statutory election options afforded the unleased parties first taken this morning in 1685-01 be incorporated for purposes of this hearing, with Mr. Diminick's agreement.

BENNY WAMPLER: Do you accept those terms?

A. Yes.

BENNY WAMPLER: That will be incorporated.

Q. Okay. We don't have any unknowns as we stated earlier. So, the Board does not need to establish an escrow account for this unit, correct?

A. Yes.

Q. And who should be named operator under any force pooling order?

A. Dart Oil and Gas Corporation.

Q. And what is the total depth of this proposed well?

A. 4,500 feet.

Q. The estimated reserves for the unit?

A. 750 million cubic feet.

Q. And an AFE been reviewed, signed and submitted to the Board as Exhibit C?

A. Yes.

Q. In your opinion, does it represent a reasonable estimate of the well costs?

A. Yes.

Q. Could you state both for the Board both the dry hole costs and completed well costs for this well?

A. The dry hole costs are \$553,9...895 and the completed well costs is \$742,085.

Q. Do these costs anticipate a multiple completion?

A. Yes.

Q. Does your AFE include a reasonable charge for supervision?

A. Yes.

Q. In your professional opinion, would the granting of this application be in the best interest of conservation, the---

A. Yes.

Q. ---prevention of waste and the protection of correlative rights?

A. Yes.

JIM KAISER: Nothing further of this witness at this time, Mr. Chairman.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Do you have anything further?

JIM KAISER: We'd ask that the application be approved as submitted.

BENNY WAMPLER: Is there a motion?

MARY QUILLEN: Motion to approve.

PEGGY BARBAR: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval.

JIM KAISER: Thank you.

BENNY WAMPLER: Do you all need a break?

(Board members indicate in the affirmative.)

BENNY WAMPLER: We'll take five as we change over here. Next is a petition from CNX Gas Company, LLC, and as they come forward, we'll take a five minute break.

(Break.)

BENNY WAMPLER: This is a petition from CNX Gas Company, LLC for pooling of coalbed methane unit AV-148, docket number VGOB-06-1114-1771. We'd ask the parties that wish to address the Board in this matter to come forward at

this time.

MARK SWARTZ: Mark Swartz and Les Arrington.

BENNY WAMPLER: You need to get Les sworn.

(Mr. Arrington is duly sworn.)

MARK SWARTZ: I've got some housekeeping.

BENNY WAMPLER: Okay. Good.

MARK SWARTZ: This item that you just called, we would like to continue it until December. We would also like to continue number twenty until December. I'll kind of give you the lineup and then you can decide what you want to call or how you want to handle it.

BENNY WAMPLER: Okay.

MARK SWARTZ: Then we would like to withdraw your items seventeen, eighteen and nineteen. Basically, the reason is we feel like we've got an understanding with Penn Virginia and the withdrawing we're totally done with those. Give it another month, we can probably work out the other two.

BENNY WAMPLER: Okay. The item I just called is continued until December. Also, number twenty on our agenda today, docket number VGOB-06-1114-1776 is continued until December. Withdrawn are dockets number VGOB-06-1114-1773, 1774 and 1775.

JIM KAISER: Mr. Chairman, if I could go the

record, Jim Kaiser representing Penn Virginia Oil and Gas. We're in complete agreement with that and we appreciate the cooperation of CNX on these matters.

BENNY WAMPLER: Very good. Next is a petition from CNX Gas Company, LLC for pooling of coalbed methane unit BB-30. This is docket number VGOB-06-1114-1772. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

MARK SWARTZ: Mark Swartz and Les Arrington.

BENNY WAMPLER: The record will show no others. You may proceed.

LESLIE K. ARRINGTON

having been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Mr. Arrington, would you state your name for us, please?

A. Leslie K. Arrington.

Q. Who do you work for?

A. CNX Gas Company, LLC.

Q. What do you do for them?

A. I'm manager of environmental and

permitting.

Q. Did you prepare or caused to be prepared under your supervision, the notice, the application and the related exhibits with regard to this hearing concerning BB-30?

A. Yes, I did.

Q. Okay. And, in fact, you actually signed the notice and the application?

A. Yes, I did.

Q. Did you prepare yourself the well cost estimate?

A. Yes, I had it prepared.

Q. Okay. This...what kind of unit is this?

A. It's an Oakwood 80.

Q. And how many wells are you proposing?

A. One at this time.

Q. Okay. And what kind of well is it?

A. A frac well.

Q. Okay. And is it located within the window?

A. Yes.

Q. Have you provided a cost estimate?

A. Yes.

Q. And what's the cost?

A. \$249,369.30 to a depth of 1,741 feet and

the permit number is 7165.

Q. Have you listed the folks that you wish to pool in both the notice and Exhibit B-3?

A. Yes, we have.

Q. And what did you do to notify them of today's hearing?

A. We mailed by certified mail, return receipt on October 13, 2006 and we published in the Bluefield Daily Telegraph on October 19, 2006.

Q. And have you filed with Mr. Wilson, copies of the proofs of publication that you got from the newspaper and your certificates with regard to mailing?

A. Yes, we have.

Q. Okay. Do you want to add anybody as a respondent today?

A. No.

Q. Do you want to dismiss anyone today?

A. No.

Q. Okay. Would you tell the Board what interest you've acquired in this unit and what interest you're seeking to pool?

A. We have leased 99.9919% of the coal, oil and gas owner's claim to coalbed methane. We're seeking to pool 0.0081% of the coal, oil and gas owner's claim to

coalbed methane.

Q. And the only escrow requirement here is an unknown or unknowns in Tract 3?

A. Yes.

Q. The applicant, obviously, is CNX Gas Company. Who is it that you're requesting be appointed the operator if this petition is approved?

A. CNX Gas Company.

Q. Is CNX Gas Company, LLC a Virginia General Partnership?

A. Yes, it is.

Q. Is it authorized to do business in the Commonwealth?

A. Yes, it is.

Q. Has it posted a blanket bond or does it have a blanket bond on file with the DMME?

A. Yes, it does.

Q. And has it registered with the DMME?

A. Yes, it has.

Q. Obviously, you've leased and acquired a significant number of interest in this unit before coming here today. What are the standard lease terms that you have offered to folks that you've been able to reach an agreement with?

A. Our standard coalbed methane lease is a dollar per acre per year with a five year paid up term with a one-eighth royalty.

Q. Okay. And would you request that the Board, in the event that this application is approved, use those terms as the terms that would apply to folks who are deemed to have been leased?

A. Yes, we would.

Q. Is it your opinion that if you combine the leasing and acquisition activities that the applicant has succeeded in with a pooling order pooling .0081% of this unit that the correlative rights of all claimants and owners would be protected by those two things?

A. Yes, it will.

Q. And is it your opinion that drilling one coalbed methane frac well in the drilling window of this unit is a reasonable way to develop coalbed methane from this unit?

A. Yes.

MARK SWARTZ: That's all I have.

BENNY WAMPLER: Would you restate the estimated reserves?

LESLIE K. ARRINGTON: 125 to 550 mmcf.

BENNY WAMPLER: Any questions from members of the

Board?

(No audible response.)

BENNY WAMPLER: Do you have anything further?

MARK SWARTZ: No.

BOB WILSON: Mr. Chairman.

BENNY WAMPLER: Mr. Wilson.

BOB WILSON: Yeah, I believe you stated a single frac well. Your plat is showing two well locations within that unit.

LESLIE K. ARRINGTON: Yes.

BOB WILSON: Also, you stated that there would be escrowed, but your application does not include an Exhibit E.

LESLIE K. ARRINGTON: I did look back on that. Okay, first, the well...the well location, I haven't come up with that second well yet. I'm working on it. It could be an expensive location.

BENNY WAMPLER: BB-30 is what we have before us.

LESLIE K. ARRINGTON: Yes, sir.

BENNY WAMPLER: As to Exhibit E?

LESLIE K. ARRINGTON: As to...Mark, I believe---.

MARK SWARTZ: We need to submit an Exhibit, apparently. There is---.

LESLIE K. ARRINGTON: No.

MARK SWARTZ: The reason I'm coming up with that...let me look here.

LESLIE K. ARRINGTON: No.

MARK SWARTZ: We don't need one.

LESLIE K. ARRINGTON: No, we don't need an Exhibit E.

MARK SWARTZ: Okay. Let me look here.

BOB WILSON: Then we would need a revised B-3 because you do show an unknown there, I believe.

LESLIE K. ARRINGTON: I'm sorry. Mark was correct.

MARK SWARTZ: Okay, we've got Margerie Lewis---.

LESLIE K. ARRINGTON: Yeah, Margerie Lewis.

MARK SWARTZ: Okay. So, we're going to need to file...there is an escrow requirement for unknowns and we'll file and Exhibit E to clarify that.

BENNY WAMPLER: For Tract---?

MARK SWARTZ: The same tracts.

BENNY WAMPLER: ---3...Tract 3?

MARK SWARTZ: Right.

BENNY WAMPLER: Other questions?

(No audible response.)

BENNY WAMPLER: Do you have anything further?

MARK SWARTZ: No, I don't.

BENNY WAMPLER: Is there a motion?

MARY QUILLEN: Motion to approve.

PEGGY BARBAR: Second.

BENNY WAMPLER: And second. Any further
discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying
yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval. Next is a
petition from CNX Gas Company, LLC for creation and pooling
of coalbed methane unit TA-37. This is docket number VGOB-
06-1114-1777. It's number twenty-one on the Board's agenda
today.

MARK SWARTZ: Mark Swart and Les Arrington.

BENNY WAMPLER: The record will show no others.
You may proceed.

LESLIE K. ARRINGTON

DIRECT EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Les, you need to state your name for us,

again.

A. Leslie K. Arrington.

MARK SWARTZ: Mr. Chairman, I would request that we incorporate or be allowed to incorporate Mr. Arrington testimony from the just previous hearing with regard to the applicant, the operator, standard lease terms and his employment.

BENNY WAMPLER: That will be incorporated.

Q. Mr. Arrington, this is a statewide unit. It's not in a field rules area, is that correct?

A. That's correct.

Q. And if we look at the plat, which is the fourth page in, I believe, it's showing a circle around a well.

A. Yes, it is.

Q. What's the radius of that circle?

A. 500 feet.

Q. Okay. And the acreage within the circle is stated at the top of the next page and it's---?

A. 4057.

Q. Okay. And is it true that this unit and this well are not located within any area that the Board has created field rules?

A. Correct.

Q. So, are you requesting really two things here, first that a unit be created as depicted and then it be pooled?

A. Yes.

Q. Okay. The...what kind of well is proposed here?

A. It's a frac well.

Q. Seeking what kind of gas?

A. Coalbed methane.

Q. Okay. Have you provided the Board with a well cost estimate?

A. Yes, we have. It's \$224,464.82 to a depth of 1500 feet and the permit number is 7667.

Q. Okay. As I look at this application, there is no escrow requirement, is that correct?

A. That's correct.

Q. What interests have you...would you tell the Board what interest you've been able to acquire and what you're seeking to pool by this application?

A. We've acquired 86.344%...3446% of the coal, and gas owner's claim to coalbed methane. We're seeking to pool 13.6554% of the coal, oil and gas owner's claim to coalbed methane.

Q. Have you listed all of the folks that you

want to pool in both the notice of hearing and B-3?

A. Yes, we did.

Q. Do you want to add anybody today as a respondent?

A. No.

Q. Do you want to dismiss anybody?

A. No.

Q. What did you do to notify these people, and others, that there would be a hearing today?

A. We mailed by certified mail, return receipt requested on October 13, 2006. We mailed...published in the Bluefield Daily Telegraph on October the 21st, 2006.

Q. Did you file your proofs of publication from the newspaper and your certificates with regard to mailing with Mr. Wilson's office?

A. Yes, we have.

Q. Is it your opinion that if you combine the leasing and acquisition efforts of the applicant with a pooling order pooling 13.6554% of the unit that the claims and interests of all owners and claimants and their correlative rights would be protected?

A. Yes, they will.

Q. Okay. Is it your opinion that a reasonable way to develop the methane within the unit that you're

seeking to create, the statewide unit, is to drill a coalbed methane frac well at its center?

A. Yes.

MARK SWARTZ: That's all I have, Mr. Chairman.

BENNY WAMPLER: Questions from members of the Board?

MARY QUILLEN: One question, Mr. Chair. Could you restate the depth?

LESLIE K. ARRINGTON: 1,500 feet.

MARY QUILLEN: Okay.

BENNY WAMPLER: And your permit number was?

LESLIE K. ARRINGTON: 7667.

BENNY WAMPLER: Other questions?

(No audible response.)

BENNY WAMPLER: Is there a motion?

PEGGY BARBAR: Motion to approve.

BENNY WAMPLER: Motion to approve.

MARY QUILLEN: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval. Next is a petition from CNX Gas Company, LLC for pooling of coalbed methane unit YYY-24, docket number VGOB-06-1114-1778. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

MARK SWARTZ: Mark Swartz and Les Arrington.

BENNY WAMPLER: The record will show no others. You may proceed.

MARK SWARTZ: I think we've got some revised exhibits here. Have we passed those out?

(Mrs. Duty passes out the revised exhibits.)

MARK SWARTZ: Mr. Chairman, I'd request that we incorporate Mr. Arrington's testimony regarding the applicant and operator, standard lease terms and his employment.

BENNY WAMPLER: That will be incorporated.

MARK SWARTZ: Thank you. Just to sort of focus you a little bit, this is a unit that's one of the infill units that we've talked about periodically and you'll notice there are two wells on it. That's why you have two well cost estimates and the plat actually shows two CBM wells to be located within the drilling window. It's an infill unit. It's not over a mine.

LESLIE K. ARRINGTON

DIRECT EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Mr. Arrington, did you personally or under your supervision have your staff prepare the notice, the application and related exhibits for today?

A. Yes, I did.

Q. Okay. And you signed both the notice and the application?

A. Yes.

Q. What did you do to notify the respondents and other that there would be a hearing today?

A. We mailed certified mail on October 13, 2006 and we published in the Bluefield Daily Telegraph on October the 21st, 2006.

Q. And did the file proofs of publication that you received from the newspaper and your certificates with regard to mailing with Mr. Wilson?

A. Yes, we did.

Q. Do you want to add anybody as a respondent today?

A. No.

Q. Do you want to dismiss anyone?

A. No.

Q. Okay. What kind of unit is this?

A. It's an Oakwood 80 acre.

Q. And how many wells are you proposing?

A. Two.

Q. And what's the basis for suggesting that two wells could be drilled in this one unit? What's the reason?

A. For production.

Q. Well, sometimes it's mining and sometimes it's an order on infill.

A. The infill drilling order, okay.

Q. Okay, okay, stupid questions sometimes get bizarre answers.

A. Yeah.

Q. All right. Is this particular unit subject to an infilled decision and order of the Board?

A. Yes, it is.

Q. Okay. Have you provided today revised well cost estimates?

A. Yes, we have.

Q. And initially when you filed...I think you sort of had one estimate and sort of an average, is that correct?

A. I did.

Q. And now have you updated that?

A. Yes, I have. In the application, we showed the one well cost of \$263,641.57. In the application, we just multiplied that by two because we knew we have two wells. Now, we have the revised exhibit well cost estimate which shows for the second well \$273,121.72.

Q. And what does the revised exhibit show with regard to the total cost of the two wells, if it's on there?

A. It's not on there.

Q. Okay.

A. I'd have to add it up.

Q. Okay.

A. \$536,763.29.

Q. Okay. And that's the total of the revised estimates that you've handed out today?

A. Yes, it is.

Q. Okay. What are the depths of these two wells?

A. The YYY-24 is 2,690 feet. YYY-24A is 2,666.02 feet.

Q. 666.02?

A. Uh-huh.

Q. Okay. And what are the permit numbers for

these two wells?

A. For YYY-24 it's 7217 and 24A is 7218.

Q. Okay. Would you tell the Board what interests you've been...the applicant has been able to acquire in this unit and what it is you're seeking to pool today?

A. Yes. It's...we've leased 99.986609% of the coal, oil and gas owner's claim to coalbed methane. We're seeking to pool 0.013391% of the coal, oil and gas owner's claim to coalbed methane.

Q. And there's no escrow requirement here, is that correct?

A. No.

Q. The...the plat shows that both wells are located in the window, is that also correct?

A. Yes.

Q. Okay. And what kind of wells are they? Are they frac wells?

A. They're both frac wells.

Q. Okay. Is it your opinion that if you combine the leasing and acquisition activities of the...the successful leasing and acquisition activities of CNX with a Board order pooling .013391% of this unit that the correlative rights of all owners and claimants will be

protected?

A. Yes, they will.

Q. Is it your further opinion that a reasonable way to develop the methane...coalbed methane within this 80 acre unit is through the drilling of the two wells as indicated?

A. Yes, it will be.

MARK SWARTZ: That's all I have, Mr. Chairman.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Is there a motion?

DONNIE RATLIFF: So moved, Mr. Chairman.

BENNY WAMPLER: Motion for approval.

MARY QUILLEN: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval. Next is a petition from CNX Gas Company, LLC for pooling of coalbed

methane unit ZZZ-24, docket number VGOB-06-1114-1779. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

MARK SWARTZ: Mark Swartz and Les Arrington.

Again, we've got some revised cost estimates.

(Mrs. Duty passes out revised exhibits.)

LESLIE K. ARRINGTON

DIRECT EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Okay. Could you state your name for us, Les?

A. Leslie K. Arrington.

MARK SWARTZ: Mr. Chairman, I'd like to incorporate Mr. Arrington's testimony from the first hearing that he testified in today with regard to the applicant and operator, standard lease terms and his employment.

BENNY WAMPLER: That will be incorporated.

MARK SWARTZ: Thank you.

Q. Mr. Arrington, did you prepare or caused to be prepared under your supervision the notice of hearing, the application and the related exhibits?

A. Yes, I did.

Q. And you signed both the notice of hearing

and the application yourself?

A. Yes, I did.

Q. Have you provided any revised exhibits today?

A. Yes. A revised well cost estimates for two wells.

Q. Okay. And the total, if you add those two revised estimates together, is now what?

A. \$556,617.70.

Q. And as long as we're on the well costs, are there permit numbers for both of these wells?

A. Yes, it is. For ZZZ-24 it's 7246 and ZZZ-24A it's 7225.

Q. And the depths of these two wells?

A. For ZZZ-24 it's 2,430 feet and 24A it's 2,438.98 feet.

Q. Okay. Have you listed the folks that you're seeking to pool in both the notice of hearing and Exhibit B-3?

A. Yes, we have.

Q. Do you want to add any respondents today?

A. No.

Q. Do you want to dismiss any respondents today?

A. No.

Q. What did you do to notify these people and others that we would be having a hearing?

A. We mailed by certified mail, return receipt requested on October 13, 2006 and we published in the Bluefield Daily Telegraph on October the 21st, 2006.

Q. And have you filed the proof of publication that you've received from the newspaper and your certificates with regard to mailing with Mr. Wilson?

A. Yes, we have.

Q. What interests have you acquired in this unit and what are you seeking to pool?

A. We've acquired 99.974280% of the coal, oil and gas owner's claim to coalbed methane. We're seeking to pool 0.02572% of the coal, oil and gas owner's claim to coalbed methane.

Q. There's no escrow required in this unit?

A. No.

Q. Is it your opinion that if you combine your successful leasing and acquisition efforts with a pooling order pooling .02572% of the interest in this unit that the correlative rights of all owners and claimants will be protected?

A. Yes, it will.

Q. And is it your further opinion that drilling, with the blessing of an infill order or an infill order two coalbed methane wells in this unit within the drilling window is a reasonable way to develop coalbed methane from and under this unit?

A. Yes, it is.

MARK SWARTZ: That's all I have.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Is there a motion?

MARY QUILLEN: Motion...motion to approve.

BENNY WAMPLER: Motion to approve. Is there a second?

DONNIE RATLIFF: Second.

BENNY WAMPLER: Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval. Thank you.

Next is a petition from GeoMet Operating Company, Inc. for

pooling of coalbed methane unit C-49, this Rogers 517, docket number VGOB-06-1114-1780. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

TIM SCOTT: Mr. Chairman, there are five of these applications that we filed for today that we're going to continue.

BENNY WAMPLER: Okay.

TIM SCOTT: In order to get Mr. Purdue out of here, I would like to go ahead and take care of that if I could, please.

BENNY WAMPLER: All right.

TIM SCOTT: It is docket number 1114-1798.

MARK SWARTZ: What's the actual number on the docket?

TIM SCOTT: Oh, I'm sorry.

MARY QUILLEN: Number forty-two.

TIM SCOTT: Forty-two.

MARK SWARTZ: The two digit number.

BENNY WAMPLER: Forty-two.

TIM SCOTT: Forty-two, sorry.

MARY QUILLEN: Forty-two.

TIM SCOTT: Number forty-four, forty-five, fifty-five and fifty-six.

MARY QUILLEN: Mr. Chair, could you give us just a minute to pull those?

BENNY WAMPLER: Yes, ma'am. I'm going to go ahead and clean the record anyway with that. You're asking to continue those?

TIM SCOTT: Yes, sir, until next...next hearing date.

BENNY WAMPLER: The December hearing?

JIM KAISER: Mr. Chairman, Jim Kaiser on behalf of Equitable Production Company. We have asked them to continue those. We would agree with that and appreciate that.

BENNY WAMPLER: Okay. The following items will be continued until the December hearing: Docket number VGOB-06-1114-1798, 1800, 1801, 1811 and 1812. Those items are continued until December.

DONNIE RATLIFF: Mr. Chairman, that's twenty-four, twenty-five and---?

BENNY WAMPLER: No, it's forty-four and forty-five...forty-two, forty-four, forty-five, fifty-five and fifty-six.

DONNIE RATLIFF: So what are we going to now?

BENNY WAMPLER: We're going to twenty-four, 1780 docket number. We'd ask you gentlemen to introduce

yourselves.

TIM SCOTT: Tim Scott for GeoMet.

TOM MULLINS: Tom Mullins with the Street Law Firm
representing GeoMet.

JOEY STEVENSON: Joey Stevenson, GeoMet.

JEFF TAYLOR: Jeff Taylor with GeoMet.

DON PATTON: Don Patton with GeoMet.

GEORGE MASON: George Mason representing LBR
Holdings, LLC.

ERTIL WHITT: Ertel Whitt representing LBR
Holdings.

MARK SWARTZ: And you probably can expect to hear
from Mark Swartz and Les Arrington and Rick Toothman.

BENNY WAMPLER: Okay.

JEFF TAYLOR: And we've got Tim Blackburn also
with GeoMet.

JIM KAISER: And, Mr. Chairman, also Jim Kaiser
and Frank Henderson.

BENNY WAMPLER: Did you get all of that? Jim
Kaiser and Frank Henderson. When you do talk, you know
you're going to have to come up.

JIM KAISER: We'll come down there.

BENNY WAMPLER: And I didn't get your name.

TIM BLACKBURN: Tim Blackburn.

BENNY WAMPLER: Tim Blackburn, you're with GeoMet?

TIM BLACKBURN: Yes.

DON PATTON: Don Patton with GeoMet.

BENNY WAMPLER: Okay. All right. Mr. Scott, you may proceed.

TIM SCOTT: Wow. Everybody who is going to testify, raise your right hands and be sworn, please.

(Everyone raises their right hands are duly sworn.)

TIM SCOTT: Okay. I'm going to call my first witness and that's Mr. Don Patton.

DON PATTON

having been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Would you state your full name for me, Mr. Patton?

A. Yes. My name is Donald D. Patton.

Q. And by whom are you employed?

A. I'm currently engaged as an independent land consult by GeoMet Operating Company.

Q. And what do you do as a land consultant?

A. Basically, we acquire leases, rights-of-way, settle damages and that sort of thing.

Q. Did you assist in the preparation of this application today?

A. I do.

Q. How many acres are in this unit?

A. 80 acres.

Q. And is it located in the Oakwood Field 1?

A. Yes, it is.

Q. And give me that unit designation?

A. It's unit C-49.

Q. Does GeoMet have the drilling rights in this unit?

A. Yes, it does.

Q. And are there any parties respondent listed on Exhibit B-3 who should be dismissed today?

A. No, there is not.

Q. Okay. Just a preliminary matter, can you tell us as to the coal owners what percentage of the unit do you have...does GeoMet have under lease?

A. 19.8%.

Q. And the oil and gas interest?

A. 11.88%.

Q. Now, as to notifying parties who would be

entitled to receive notice of this hearing, how was that notice effected?

A. Basically, by two methods. They were sent certified letters, return receipt requested. There was also a publication in the Blue Ridge Daily Telegraph.

Q. Bluefield?

A. Bluefield, I'm sorry.

Q. That's all right. You wish to be in the mountains, don't you?

A. Yes.

Q. Okay. Are there any unknown owners in this unit?

A. There are not.

Q. Have you filed proofs of publication and certification of mailings with Mr. Wilson?

A. Yes, we have.

Q. Okay. Now---?

BENNY WAMPLER: Before you go any further---.

TIM SCOTT: Yes, sir.

BENNY WAMPLER: ---I want to correct one thing---.

TIM SCOTT: Yes, sir.

BENNY WAMPLER: ---or clarify one thing anyway.

TIM SCOTT: Yes, sir.

BENNY WAMPLER: When you were asking him about

percentage in the unit, I believe he gave you acreage in the unit.

TIM SCOTT: Oh, I'm sorry.

MARY QUILLEN: No.

TIM SCOTT: No, he gave percentages.

BENNY WAMPLER: Did he give percentages?

TIM SCOTT: Yes, sir.

DON PATTON: Yes, sir.

BENNY WAMPLER: Did you give 14.85? I thought you gave 11.88.

MARY QUILLEN: He did.

TIM SCOTT: Oil and gas?

MARK SWARTZ: He gave 11.88 and 19.88.

TIM SCOTT: Is what I gave, yeah.

BENNY WAMPLER: Okay. Well, my Exhibit B is showing...is showing 14.85% on the gas estate. The acreage is 11.88. I mean, I just want to try to make sure we get it clarified---.

TIM SCOTT: You're right, Mr. Chairman.

BENNY WAMPLER: ---because I believe you gave acreage on the first one and the percentage on the second one.

TIM SCOTT: Right, I did. I did.

BENNY WAMPLER: That's all right.

TIM SCOTT: Sunday, sorry about that.

BENNY WAMPLER: That's all right. Let's just clarify it.

TIM SCOTT: Yeah, let's clarify that.

Q. Now, the percentage of the gas estate which is leased?

A. It's 11.88 or, excuse me, 14.85.

Q. I'm sorry, okay. And the coal estate?

A. It's 19.8.

TIM SCOTT: I apologize for that.

BENNY WAMPLER: It's all right. Proceed.

Q. All right. Now, is GeoMet authorized to conduct business in Virginia?

A. They are.

Q. And is there a bond on file with the Department?

A. Yes, there is.

Q. Now, if you were to reach an agreement...a voluntary agreement with the parties respondent, what would those terms be?

A. Basically, as far as the lease notice?

Q. Uh-huh.

A. GeoMet would tender an offer of twenty dollars per acre for a five year paid up lease and a one-

eighth royalty.

Q. Is this reasonable and fair in this area?

A. Yes, it is.

Q. In fact---?

A. Better than average.

Q. Okay. As to the drilling rights that GeoMet has under lease, now, again, we indicated the coal estate is what?

A. It is basically 19.8%.

Q. And of the oil and gas estate?

A. 14.85%.

Q. Now, as to the percentages that you chose to...or you're seeking to pool, as to the oil and gas estate, what's that percentage?

A. 85.15%.

Q. And the coal estate?

A. 80.2%.

Q. Okay. Now, is there an escrow requirement for this particular unit?

A. Yes.

Q. Okay. Now, is it...we indicated earlier, there are no unknowns, is that right?

A. That's correct.

Q. But there are parties whose interests are

in dispute?

A. There are.

Q. And who are those parties?

A. It's basically what is known as Rogers' Cousins, which I think this committee has heard about before.

Q. Okay. Now, as to the conflict in ownership, which tracts are involved?

A. Tracts 1 and 2.

Q. And what are the percentages for each of those tracts?

A. The conflicting percentage in Tract 1 is 4.075% and in Tract 2 it's 0.875%.

Q. Okay. Has an Exhibit E been submitted with the application?

A. Yes.

Q. It shows the conflict?

A. Right.

Q. And you're requesting the Board to pool the unleased parties listed on Exhibit B-3?

A. That is correct.

Q. Are you requesting that GeoMet also be named as operator?

A. Yes, sir, I am.

Q. And if the Board grants the application where should correspondence regarding any order or elections, where should that be sent?

A. It should be sent to the attention of Joseph L. Stevenson, who is the land manager, at GeoMet Operating Company, Inc., 5336 Stadium Trace Parkway, Ste. 206, Birmingham, Alabama 35244.

TIM SCOTT: Okay. That's all the questions I have for Mr. Patton. If Mr. Swartz has questions for him---.

BENNY WAMPLER: Questions from members of the Board?

MARY QUILLEN: Mr. Chair, it's not a question. I just have a comment. On the plats, the wells are not identified. When I reviewed all of these, only one of all of the cases that the well was identified on the plat.

TIM SCOTT: They're in the well location plat legend at the bottom.

MARY QUILLEN: Right. But in...actually on the map.

TIM SCOTT: Okay.

MARY QUILLEN: For a lay person, I think that's really important.

TIM SCOTT: Okay. We can certainly revise that and take care of that in the future.

BENNY WAMPLER: Okay. Now, any other questions from members of the Board?

(No audible response.)

BENNY WAMPLER: You gentlemen may...I just want you to maintain order so we can know what's going on here and keep a record. So, I don't care what order we go. Mr. Mullins, do you---?

TOM MULLINS: No, I'm on their side.

BENNY WAMPLER: I understand. I didn't know if you had any other questions of the witness.

TOM MULLINS: Not at this time.

BENNY WAMPLER: Mr. Mason?

GEORGE MASON: I don't have any questions at this time.

BENNY WAMPLER: Okay. Mr. Swartz?

MARK SWARTZ: A couple.

BENNY WAMPLER: Okay. Go. Can you hear him?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. You requested, if I understood your testimony correctly, that the Board appoint GeoMet as operator?

A. Yes, sir.

Q. Does GeoMet have consents to stimulate any well that it might propose to drill in this unit?

TIM SCOTT: I object to that question. I object to that question because this Board in June of 2005 addressed this issue with regard whether this was a pooling issue or a permit issue. In fact, I've copied part of the transcript which addresses that matter. It's a permitting issue and not a pooling issue.

BENNY WAMPLER: Do you want to elaborate because we have---?

TIM SCOTT: Yes, sir.

BENNY WAMPLER: ---Board members that weren't here?

TIM SCOTT: This was actually a GeoMet request and this was in June...June the 21st, 2005. It was item 1473. Mr. Arrington appeared, not to object, but simply to state and I quote "Just a statement on this unit. They have a 100% of the CBM leased. Island Creek Coal Company does the coal under lease. They do not have consent to stimulate on this on this unit at this point." Mr. Wampler: "Okay. I thought when he said a 100% of the coal estate. I was." Les Arrington: "Yeah." Benny Wampler: "Dismissing you there. Sorry about that. All right. And you're in agreement with that that you do...you have no consent to

stimulate?" Mr. Patton: "Yes, sir." Benny Wampler: "Okay." Les Arrington: "Yes, he has no consent on this one, correct." Benny Wampler: "All right. Do you have anything further?" Leslie Arrington: "No, that's all." Benny Wampler: "Is there a motion?" Mr. Wilson: "Mr. Chairman, I might point out that the consent to stimulate is a permitting concern and not---." Benny Wampler: "Right." Bob Wilson: "---a pooling concern." Jim McIntyre: "Motion to approve." Second. Motion second. Approved. So, that was dismissed at that point. So, I don't think that's an issue before the Board. It's before the Director at the permitting stage.

MARK SWARTZ: My response to that, if I may respond.

BENNY WAMPLER: You may respond.

MARK SWARTZ: If you pool this unit, you tie it up for two years. If this operator cannot drill this unit, you've just sterilized this gas for a two year period. I think in determining whether or not GeoMet should be the operator of this unit, you should have a feel for whatever not it can actually drill the well in the unit. If they're proposing to be operator of this unit and they literally have no opportunity to drill the well that they're proposing, I think that this unit...they should not be

appointed operator of this unit. And ultimately---.

TIM SCOTT: That decision hasn't been made.

MARK SWARTZ: ---you're going to hear from my client that they want to be operator of this unit and they can drill this well. So, I think it's relevant in this setting.

BENNY WAMPLER: I'm going to sustain the objection.

Q. Would you agree that CNX has leased 80.20% of the coalbed methane in this unit?

TIM SCOTT: It's in the application.

A. It's in the application?

TIM SCOTT: Yes.

A. Just a second.

TIM SCOTT: Can you repeat that, Mark...Mr. Swartz?

Q. I asked him if he would agree that CNX has leased 80.20% of the coalbed methane in this unit?

A. That is what is on the application, sir.

Q. So you agree?

A. In accordance with the application, yes.

Q. And you're showing Pocahontas Mining, LLC, which is a lessor of CNX, as having an 80.20% in the CBM?

A. That's my understanding---.

Q. Okay.

A. ---according to the application.

Q. Would you agree that the location of the well is on LBR Holding's Coal?

A. Could you repeat...I'm sorry, Mark, can you repeat that question?

Q. Would you agree that the proposed location of the well shown on your Exhibit A is on LBR Holdings, LLC Coal?

A. I'm not understanding the question.

TIM SCOTT: He's asking where the...where the well location is, is it on an LBR tract? Is that...is that correct, Mark?

MARK SWARTZ: Right.

A. Okay. Yes, it appears to be.

Q. Okay. Is there a coal lessee of that coal?

A. I don't have the title opinion. Mark, I can't answer that question.

Q. Do you know who owns the coal on LBR tracts?

TIM SCOTT: You just asked him who the lessee was. You didn't ask him who the owner was.

A. You just asked me lessee was.

Q. You don't know who leases the coal on LBR

tracts, is that what you're telling me?

A. On this particular tract, I don't have the information in front of me. I've got the information, but I don't have it in front of me.

Q. In general, who would be the coal lessee?

A. Well, there's different coal lessees on different seams.

Q. The deep seams?

A. I'm sorry?

Q. The deep seams? In general, who would be the coal lessee on LBR Holdings, LLC mineral tracts on deep seams?

A. I don't know, Mark.

Q. Really. You're sure? You don't have any--

A. I don't...I can't recall. I don't have the file in front of me. The file is extremely thick. I look at maps on every time that there's a question asked like that...every time we have an issue. No, really I have the information, but really I don't have it in front of me, sir.

Q. Did you give us a number earlier as to the percentage of coal owners that you had obtained leases from?

A. Well, yes, sir.

TIM SCOTT: Mr. Chairman, he has already answered

these questions. I don't know where Mark is going with...Mr. Swartz is going with this. But the information is on there who the lessees are and who is...who has the CBM rights of record. I don't---.

BENNY WAMPLER: Is that an objection?

TIM SCOTT: Yes, sir.

TIM SCOTT: Overruled.

Q. You indicated that you had done sufficient work to determine that 19...that you had obtained...you meaning GeoMet, had obtained leases from 19.8% of the owners of the coal, is that correct?

A. I did state that, yes.

Q. Okay. And, basically, the owners of the coal that you don't have leases from are the PMC coal owner, correct?

A. It appears to be, yes, sir.

Q. Okay. So, you know...do you know who...whether or not the PMC coal is leased?

A. Do I know?

Q. Correct.

A. No.

Q. Was that a no?

A. Do I know whether or not? I can't answer that right now, no, sir.

Q. Does GeoMet have a present ability to permit and drill a well in this unit?

TIM SCOTT: That's not a question for Mr. Patton. There's others here who can identify that...answer that for you.

MARK SWARTZ: He's the first guy I've heard requesting that they be the applicant.

BENNY WAMPLER: He can just say whether he knows that or not.

TIM SCOTT: You can just say whether you know the answer or not.

A. I don't know the answer to that, Mark.

Q. Would you agree with me that that's an important question that the Board ought to have an answer to when they're looking at an application---?

TIM SCOTT: Object, Mr. Chairman.

Q. ---to pool a unit?

TIM SCOTT: Sustained.

MARK SWARTZ: That's all I have of this fellow.

BENNY WAMPLER: Call your next witness.

TIM SCOTT: My next witness is Mr. Jeff Taylor.

JEFF TAYLOR

having been duly sworn, was examined and testified as

follows:

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Taylor, would you please state your full name?

A. Jeffery Howard Taylor.

Q. And did you assist in the preparation of this application?

A. I assisted in preparing the estimated costs.

Q. Are you familiar with the total depth of this well's proposed depth?

A. Yes.

Q. And what would that be?

A. 2503 feet.

Q. Okay. Now, are you...what are the estimated reserves for this particular unit?

A. 1.05 bcf.

Q. Okay. And are you also familiar with the proposed well cost?

A. Yes, sir.

Q. What's the estimated completed cost?

A. \$411,450.

Q. And what about the estimated dry hole

costs?

A. \$180,400.

Q. Now, has an estimated well cost exhibit been provided to the Board---?

A. Yes.

Q. ---as part of the application? And you prepared that cost, is that right?

A. Under my direction is was prepared, yes.

Q. Okay. Does that estimated well cost also include a reasonable charge for supervision for---?

A. Yes.

Q. ---the drilling of this well? And in your opinion, if the Board grants this application, would it promote conservation, protect the correlative rights and prevent waste?

A. Yes.

TIM SCOTT: Okay. Those are the questions I have for Mr. Taylor.

BENNY WAMPLER: Questions from members of the Board of Mr. Taylor?

(No audible response.)

BENNY WAMPLER: Mr. Mason?

GEORGE MASON: I have no questions at this time.

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Is this well proposed to be on an LBR Holdings' tract?

A. Yes.

Q. Does LBR Holdings own the coal under that tract?

TOM MULLINS: Objection. That's beyond the scope of direct examination. No inquiry was made on direct.

BENNY WAMPLER: Sustained.

MARK SWARTZ: I need to respond to that.

MARK SWARTZ: The only time that scope is an objection is on redirect or recross. You can put a witness on the stand and ask them three questions and then prevent someone from cross examining that witness on whatever they want by saying "Well, I didn't cover it." I mean, that's just not how it works. Now, if...if I come back on recross and I'm trying to cover something that they didn't cover on redirect because there needs to be an end in sight, then you can say, "Well, we didn't cover it." Otherwise, I'm going to have to call him in my case. I'll just put him on the stand in my case. I mean, Mr. Mullins' objection is not---.

TOM MULLINS: May I respond?

MARK SWARTZ: ---well taken.

BENNY WAMPLER: You may respond.

TOM MULLINS: First, I disagree with that. The rules of witness examination are fairly clear in Virginia. If he chooses to vouch for this witness and certify of this witness' testimony by making him his own witness, he may do that. But he is limited on cross examination into all areas in which this witness testified to on direct. That is the rule in Virginia Courts.

BENNY WAMPLER: Well---.

MARK SWARTZ: I've already told you what I think the law is and I'll just solve the problem. I can either ask him the questions now or I will call him as an adverse witness and I request that you order him to stay until I get my turn and I'll put him back on the stand and I'll cross him at that point.

(Mr. Wampler confers with Counsel.)

BENNY WAMPLER: All right. I've got advice to let you ask the questions.

MARK SWARTZ: Thank you.

DEANIS SIMMONS: No, no, no.

BENNY WAMPLER: Oh, I'm sorry. I'm sorry, I misunderstood then. To uphold the sustaining then, okay. All right.

MARK SWARTZ: I would request that you order him to stay here so that I can put him on the stand as my witness.

BENNY WAMPLER: We'd ask you to do that.

MARK SWARTZ: And I'll just deal with him at one time.

BENNY WAMPLER: Okay. All right. Do you have a further witness?

TIM SCOTT: No, sir.

BENNY WAMPLER: Mr. Mason?

GEORGE MASON: Mr. Chairman, I would like to point out to the Board on what should be pooling and what should be a permit application is that the Board in its June hearing considered the force pooling applications of CNX Gas Company for B-50, D-47 and E-43 and those were subject of an objection by my client, LBR Holdings. It was a part of an informal fact-finding conference before Mr. Wilson where we objected on the basis as a coal owner, the 2,500 foot objection. Barring circumstances that I don't know about, I don't see my client withdrawing that objection. Though Mr. Wilson has not yet entered a decision in that case, I anticipate, if it is like all of the other decisions before that, that he will agree with our objection and, therefore, deny the permit application to CNX Gas Company for B-50, D-

47 and E-43. Thereby, since the Board in June approved their pooling, CNX will not be able to drill those wells for two years sterilizing the opportunity to have those wells drilled and produced. So, I just want to bring that to the attention of the Board. I think Mr. Wilson explained that a permit application granting and the force pooling application permit or petition for different tracts and one is not required for the other. So, that's the position of LBR Holdings as far as having its property being developed by the operator GeoMet, which it approves and supports and is in opposition to the development of its property being force pooled by CNX Gas Company.

BENNY WAMPLER: Thank you.

GEORGE MASON: Thank you, sir.

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: Is it my case now?

BENNY WAMPLER: Yes.

MARK SWARTZ: Okay. I'd like to call Mr. Taylor adversely as my first witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Mr. Taylor, you told...you were asked a

question...I think you were asked, what were the estimated reserves in this unit and you said 1.050 bcf, is that...have I go that right?

A. That's correct.

Q. When I look at page two of the application at paragraph little e, you say in there the estimated production of the life of the proposed well is 1.050 mmcf, which, I guess, would be 1.05 bcf, right?

A. That's correct.

Q. Which is...which is it? Is the 1.05 bcf the estimated production over the life of the well as stated in the application or is it the reserves in the ground as you've testified today?

A. That's actually...I think, the pooling application asks you for a recoverable reserves. So, it's a recoverable reserve.

Q. So, your testimony today would be...with regard to the reserves in the ground, would be what number?

(Mr. Taylor confers with Mr. Mullins.)

TOM MULLINS: Object. That's not a requirement for a pooling application, Mr. Chairman. What is required is the estimate of recoverable reserves. That goes beyond the scope of an application.

BENNY WAMPLER: Restate your question.

Q. Well, isn't recoverable reserves normally a percentage of reserves in the ground?

TOM MULLINS: That's irrelevant to an application for pooling. What you're asking---

MARK SWARTZ: I need to have...I need to have an opportunity---

TOM MULLINS: Excuse me.

MARK SWARTZ: ---to test the reality of this number. I mean, he has testified that it was estimated reserves, which is a completely different concept. Now, he's saying, "Oh, no, it's actually what we're going to get." I need to...I have a...I need to have an opportunity--.

BENNY WAMPLER: I overrule the objection.

Q. What would the reserves in the ground be for this unit?

A. A ballpark, I don't have a calculator with me---

Q. I can lend you one if it would help.

A. ---1300 to 1400 mmcf.

Q. So, 13...1.3 to 1.4 bcf would be the total reserves under the unit, right?

A. Yeah.

Q. Is that what you're saying?

A. Yes.

Q. And you're saying that you think this well is going to get 1.05, right?

A. Yes.

Q. What's...do you have any feel for what that percentage is or do you need a calculator?

TOM MULLINS: Objection to the line of questioning. It's not relevant to a pooling application, Mr. Chairman.

BENNY WAMPLER: I'm going to let him get to the clarification because there was some confusion on the answers that came forward before.

Q. If I told you that 1.05 bcf is 81% of 1.3 bcf, would that sound reasonable?

TOM MULLINS: Your Honor, one other objection, and that would be that they're trying to also inquire into items that are proprietary into---.

BENNY WAMPLER: Into what, I'm sorry?

TOM MULLINS: Items that are proprietary and go to the production abilities of particular companies and that's specifically protected, is my recollection, and it's not a proper line of inquiry.

BENNY WAMPLER: Sustained.

Q. How did you calculate 1.050?

A. Based---.

TOM MULLINS: Asked and answered, Mr. Chairman. You've ruled on that. He has made his inquiry as to the source of the number and, I think---.

BENNY WAMPLER: Well, let's be a little liberal here and let him...let him go ahead and answer this to get back on track, hopefully.

A. Based on core data that we have in the area, gas content data and coal thickness data. You sum all of that up and multiple it by recoverable percentage.

Q. You didn't consider permeability?

A. Permeability won't have that much to do with a grand total reserve number. It will the produceability of the number.

Q. Well, you gave us the produce ability number. 1.050, I think, is your produceability number, right?

A. Yes.

Q. And you just told me when you calculated that, you took gas content, coal thickness and a recovery percentage and came up with that number is that correct or did you factor in some other variables?

TOM MULLINS: Judge, again, this gets back into the area that I made on my objection on how they go about

their recoverable reserves and that's proprietary.

BENNY WAMPLER: I'm having trouble seeing where we're going with this myself. Mr. Swartz, if you can explain that.

MARK SWARTZ: Well, if they're going to give you an estimate of 1 bcf, it better be based on something that they can articulate to the Board. To give you an example, you're going to hear testimony from my witnesses that we have hundreds of wells and we've averaged the production and we're giving you an average, okay? They're stepping up to the Board and they're saying...we're telling people who might want to participate in this unit, we're telling the board that if we drill this \$400,000 well, or whatever it is, we're going to get...we think we're going to get 1 bcf out of the ground in this well. I think, you ought to be interested if this is a real number or a bogus number. I'm certainly interested. I think, when you put a number in play, that's an important number...I mean, the Board wouldn't ask for this number if it wasn't important. It's important for a lot of reasons. If this number was really, really low, the Board would be sitting there saying this is economic waste. Why would you spend \$400,000 to recover some minuscule amount of gas? It's a huge number. I think, I have a...I want to have an opportunity to make

inquiry...to find out from this witness where this number comes from and to make him defend this number as something other than some number they just picked.

A. Mr. Chairman, may I respond, and hopefully I may be able to clarify it up a little because your questioning essentially our produceability, what we have a proven track record of and so forth? Hopefully, this...this may be able to answer some of it. Currently, we have six wells producing in Virginia. Those six wells have an average life of about 1.55 years. Out of those six wells over a 1.55 year average life per well, we've produced .570 bcf or 570 million cubic feet out of those six wells. That's approximately 76% of the estimated reserves on the low end that you just heard Mr. Arrington testify of 125 million cubic feet per well. So, we're...out of our six wells that we have been fortunate enough to drill in Virginia, we're already at 76% with an average life of a year and a half, basically, of what they claim that they can get out of their low end of the well. We're at about 17% of the 550 million cubic feet they claim and we've done this...or accomplished this in a year and a half out of our six Virginia wells. So, hopefully, that may clarify or answer something.

Q. So, you're saying that the six wells over a

year and a half you've produced a total of .570 bcf?

A. Approximately, yes.

Q. Which per well is---?

A. It's about 167,000 a day average per well.

So, I feel like our 1.05 bcf is realistic.

Q. And that is, basically, .1 bcf per well for a year and a half, right?

A. Close, yeah.

Q. Okay. Is one of those six wells substantially better than the other wells?

A. One of them is, yes.

Q. What's the lowest producing well?

TOM MULLINS: Objection. We've gone far afield from what's relevant to this force pooling application now, Your Honor.

A. Yeah.

BENNY WAMPLER: I agree with that, but I'm going to let him answer since he walked into the...walked into the volley.

A. A coalbed methane field is typically not based on one well, but an average or a field wide look at it because you go in and you do blanket drilling. So, you know, one... you expect to get a high one and maybe a low one and they wide up meeting in the middle for an average.

I think that a 167,000 a day average is very good.

Q. You know, I---.

A. And I...as far as the low end, you're probably talking 80...we've got them ranging from 80,000 to 300 and some thousand now.

Q. Would you agree that in the applications that you filed today, that all of your estimates with regard to production from the wells are at 1 bcf or greater?

A. I would...actually, we have a couple that's a little less, I believe.

Q. The only one that I see that's less is item number twenty-five at 973. Is there---?

TOM MULLINS: Objection to another application, Judge.

BENNY WAMPLER: Sustained.

Q. I guess my question is, is the 1 bcf estimate representative of the best well that you have, the worse well you have or an average of the wells that you have?

TOM MULLINS: Objection to the relevancy, again.

BENNY WAMPLER: Sustained.

Q. If a person was looking at the application, or any of the applications that you filed, and trying to make a decision as to whether or not to participate, would

you agree that it would be reasonable for them to want to know whether the 1 bcf was a great well, an average well or a lousy well?

TOM MULLINS: Objection to what people may want to believe or know. It's what the statute requires and the regulations require that is pertinent. I object to the question.

BENNY WAMPLER: Sustained.

Q. Did I understand you to say that you did not factor permeability to the 1 bcf number?

A. No.

TOM MULLINS: Asked and objected to, Judge, and I think you've already---.

BENNY WAMPLER: Sustained.

Q. Do you have a permit for the well you propose to drill in this unit?

A. No.

Q. Is that an answer?

TOM MULLINS: Judge, I object. The permit is outside the scope of a pooling application.

BENNY WAMPLER: He did...he did answer. I mean, I'll sustain the objection. He did answer and say no. You may not have heard that.

Q. Who is the coal lessee at the well

location?

A. I'd say you have a couple of different ones.

Q. Deep coal?

A. Probably Island Creek.

Q. And that would be the coal that you're proposing to stimulate?

TOM MULLINS: Objection. That's a permitting issue, Mr. Chairman.

BENNY WAMPLER: Sustained.

Q. Is it your testimony that you have a total of six wells in the State of Virginia?

A. Yes, that's correct.

Q. Is there a Pond Creek area that you have wells in?

TOM MULLINS: Objection. That's beyond the scope of this application, Mr. Chairman.

BENNY WAMPLER: Sustained.

MARK SWARTZ: That's all I have.

BENNY WAMPLER: Do you have a witness?

MARK SWARTZ: You bet. I need room.

BENNY WAMPLER: Come on down.

(Participants rearrange around the table.)

BENNY WAMPLER: Okay. I need to get your witness

sworn just as soon as she gets some mics set up. Mr. Toothman has to be sworn.

BENNY WAMPLER: Mr. Kaiser, I haven't left you out intentionally. I assume you would come forward whenever you felt like you needed to.

JIM KAISER: I'm just trying to get my direction. But there's a couple coming up later, that I'll come forward when you get to them.

BENNY WAMPLER: Okay. Would you swear in Mr. Toothman, please?

(Mr. Toothman is duly sworn.)

LESLIE K. ARRINGTON

DIRECT EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Mr. Arrington, could you state your name for the record, please?

A. Leslie K. Arrington.

Q. Who do you work for?

A. CNX Gas Company, LLC.

Q. What do you do for them?

A. I'm manager of environmental and permitting.

Q. Have you looked at this application?

A. Yes, I have.

Q. Have you looked at all of the applications today?

A. Yes, we have.

Q. Did you prepare an exhibit comparing GeoMet's estimated well costs to CNX's well costs and, specifically, did you prepare...and in that exhibit did you compare a well cost estimate that you prepared for this particular unit C-49 with their costs?

A. I did.

BENNY WAMPLER: Let me stop you right there just a second. I didn't realize what time we have here. Why don't we just take a lunch break?

MARK SWARTZ: That works. When do you want us back?

BENNY WAMPLER: We're going to have lunch here. When can you be back? Can you back by 1:15?

MARK SWARTZ: Oh, sure.

BENNY WAMPLER: Let's do that then.

(Lunch break.)

BENNY WAMPLER: Okay, we'll call the hearing to order. Mr. Swartz, you were about to ask some questions.

LESLIE K. ARRINGTON

DIRECT EXAMINATION RESUMES

QUESTIONS BY MR. SWARTZ:

Q. Mr. Arrington, you need to state your name for us, again.

A. Leslie K. Arrington.

Q. Who do you work for?

A. CNX Gas Company, LLC.

Q. Okay. And what do you do for them?

A. Manager of Environmental and Permitting.

Q. And are you the fellow that is in charge of preparing pooling applications and preparing well permit applications and those sorts of things?

A. Yes, I am.

MARK SWARTZ: Let's get this map here and see if we can't pass out some copies to the Board and the other folks. If we don't have enough, maybe people can share. But this doesn't have a legend on it. Do you want to call it A or B or 1 or---?

BENNY WAMPLER: A.

MARK SWARTZ: A.

BENNY WAMPLER: Exhibit A.

(Mr. Arrington passes out the exhibit.)

Q. Mr. Arrington, is Exhibit A a map that you had prepared?

A. Yes, it is.

Q. Does it show on the map among, you know, a collection of units, the one that we're talking about right now, which is the C-49 unit?

A. Yes, it does.

Q. And that's sort of over to the right?

A. Yes, it's on the eastern edge of it.

Q. Okay. I notice there are two little green dots. Are those...one of them looks like it's definitely in the drilling window, the upper dot?

A. Yes.

Q. Is the...is the lower dot in C-49 also within the drilling window?

A. Yes, it is.

Q. Okay. What do those dots represent?

A. That's two proposed well locations that I just had surveyed.

Q. And when you say surveyed, I mean---?

TOM MULLINS: Objection. Future proposed well locations for an application that is not pending before this Board for this hearing is irrelevant and it should not come in as evidence for this pooling application.

BENNY WAMPLER: Where are you going with it?

MARK SWARTZ: He has surveyed locations in this

unit. We're going to ask the Board to appoint CNX as operator. We're going to...we're going to show---

TOM MULLINS: There is not---

MARK SWARTZ: ---you why you should appoint us as operator as opposed to GeoMet. I mean, we're in the...he has been on ground and he's surveyed these locations.

TOM MULLINS: Mr. Chairman, I believe the last time that GeoMet tried to do that, the Board instructed us that we needed to have an application pending before we could even proceed on that ground. So, based upon that prior ruling of the Board, I asked the Board to...or the Chairman, to find that this is irrelevant to anything that's pending in this application.

BENNY WAMPLER: I'll sustain the objection.

Q. Have you had survey crews working in this unit?

A. Yes, I have.

Q. When did they start their work?

TOM MULLINS: Objection, unless there's some establishment of relevancy of having survey crews working in a unit for this pending pooling application, it's not relevant.

BENNY WAMPLER: I'm going to overrule that and let him...let him talk about what he has been doing.

Q. When did they...when they start working in this unit?

A. We've worked around this area for quite some time, but just...the survey crew has just been in there in the past week or week and a half.

Q. Okay. Have they flagged anything?

A. Yes, they have.

Q. What have they flagged?

A. The two wells depicted on the map.

Q. Anything else?

A. Other well locations in other units, if that's what you're saying.

Q. Right, in other units.

A. Yes.

Q. Okay. What about...are there any roads or road work that they've flagged in this unit?

A. Yes, that we flagged the roadway.

Q. Okay. And is the...it doesn't look like the roadway is shown on this map?

A. No, it isn't.

Q. Okay. And have you flagged any lines in addition to the roadway?

A. No.

Q. Okay. So, just the well locations and the

roadway?

A. That's correct.

Q. Okay. And you don't have permits yet for these wells?

A. No, they will be this week.

Q. Okay. And how many wells would you propose to drill in C-49 if you were the operator?

TOM MULLINS: Objection. I think that's already been ruled upon by the Chairman. That's not relevant in this pooling.

BENNY WAMPLER: Overruled.

A. Two.

Q. Okay. Do you have a cost estimate exhibit that you've prepared for a bunch of wells, but they also pertain to this particular unit?

TOM MULLINS: Objection on notice grounds. If he's trying to take the position that he should be appointed operator, they've provided no notice as required by statute under .19. He cannot proceed any further. They've not established the notice requirement.

BENNY WAMPLER: Sustained.

MARK SWARTZ: Everybody has got notice that the Board is going to appoint an operator today that needs to have notice. We're here saying it shouldn't be them and it

should be us. Notice has been given. We don't have to renotice their application to come in and say we should be the operator and not them.

TOM MULLINS: That proves our point. They have no application pending. I'm assuming that he's intending to get into evidence why theirs is different. That would require notice because it is different. If he has got his own application, he needs to provide notice as required by statute.

MARK SWARTZ: They had notice of a hearing. They need to show up to protect themselves today. There's a notice of hearing to pool this unit.

BENNY WAMPLER: I agree with that. I agree with Mr. Swartz on that the public has been on notice. I guess, where we were going was getting more into an application that hasn't been filed and that's the reason that I---.

MARK SWARTZ: I don't need to file an application. There's an application on file.

TOM MULLINS: Mr. Chairman, I think that ignores the requirements of the statute. If someone wants to be appointed the operator, the statute requires them to file an application for pooling. That's what is required. That's black and white in the statute.

MARK SWARTZ: He needs to show me a statute that

says, if you want to be the operator...the operator, you need to do something other than show up for a hearing and ask to be the operator. We know there are statutes on pooling applications and that sort of thing. We're here...we're not saying that there wasn't notice. We're not saying an application hasn't been filed. All we're saying is, we want you to pool this unit, but we think it would be more appropriate for CNX to be the operator and I'm trying to show what they would do differently if they were appointed so the Board could make an informed decision as to who might be the Board's preferred choice to operator this unit and how many wells might be drilled, the costs of those wells, where they are in their development, I think, are all highly relevant matters that you might want to know to make a decision as to who should operate this unit. So, I...with all due respect, the notice requirements have been satisfied. People... everybody in this unit has been mailed, it has been published. We're here---.

BENNY WAMPLER: I agree with that as far as a notice requirement for this hearing, yes.

TOM MULLINS: But the notice also includes a copy of the application. It's not just notice that there will be hearing. There has to be included with that notice the application itself, which they have not done. You can

proceed any further. Notice of a hearing without more is without substance. They have not met the requirement of 45.1-361.21 or .22. They can't prove that. They're trying to talk their way around that.

GEORGE MASON: Mr. Chairman, I would also join in that objection because if he wants to be designated operator, then he would want to have to force pool our property, LBR Holdings. We have not had notice of that. All I know right now is that a couple of minutes ago is he has decided that he wants to be the operator. Therefore, what he's trying to do is ride on the curtains of the permit of the...the force pooling petition that has been filed by GeoMet. He can't do that.

MARK SWARTZ: I'm headed for my computer to get my statutes. But my observation would be, what did they file today? Why are we here? It's a pooling application.

BENNY WAMPLER: Right.

MARK SWARTZ: I mean, let's not be ridiculous. Your...these people have asked that the Board pool this unit and affect your interests and your client's interest. In addition, they have asked that along with pooling the unit that the Board appoint a designated operator to operate the unit. All I'm saying is, I'm happy with their application, we're in front of the Board on that application. We're not

objecting to pooling this unit and all of the interests that were identified. We are objecting, however, to GeoMet being appointed the operator and we're saying we would like to explain to you why we think you should consider CNX as the operator of this unit, and if we're not allowed to give you information with regard to making an informed choice, I think the public interests and the interests of the people in this unit is not being served. I think you need to know the differences between the operators and what their proposals are.

GEORGE MASON: Well, you know---.

BENNY WAMPLER: Do you think that you didn't need an application in order to do that?

MARK SWARTZ: Absolutely. I mean, I've tried cases in front of you where Mac Construction and other people have come in at the hearing and said, my client is incompetent or whatever or escheat or whatever and sometimes, you know, it's a little higher ground than that, and we have litigated those issues. I think you absolutely can show up at a hearing that has been noticed that everybody is clearly at and say, we're...well, as it turns out we are in favor of pooling the unit, but that you should make a different choice with regard to the operators. So, I'm absolutely saying that. I think, you know, we've done

that a lot over the years here. In fact, if I'm not mistaken, it...I was on the receiving end of this and we had that kind of a hearing sometime this summer where GeoMet just showed up and said we think we should be the operator. We're better.

TOM MULLINS: The very point, Your Honor. You told us we must file our own application if you want that considered. I think that was unit C-50, if I'm not mistaken. That was the ruling of the Board. Without a written application having been filed with the appropriate members of...without the filing with the gas and oil folks, without giving notice to all of the appropriate owners, we could not proceed. That was the ruling of the Board and that, I submit, is binding upon the Board as precedent.

MARK SWARTZ: If that was the ruling of the Board, why did we listening to hours of testimony about how good they were and how lousy we were before you made a decision?

TOM MULLINS: Because you didn't rule until the end.

BENNY WAMPLER: I'm going to let you go ahead and make a reasonable presentation to the Board as an operator.

Q. Have you prepared a well cost estimates with regard to the wells that are shown on the map exhibit CNX A?

A. Yes.

Q. Okay.

TOM MULLINS: Mr. Chairman, I don't want to interrupt. I just want to note a continuing objection, so I don't have to interrupt every time.

BENNY WAMPLER: Sure, that's noted.

GEORGE MASON: And may I also have a continuing objection because my client is not here. He has not seen anything. Notice has not been published. He has never seen an application, so he cannot make a due diligence review or an informed decision on that.

MARK SWARTZ: Now, wait a minute, are you telling me that the applicant didn't notify your client of the hearing today?

GEORGE MASON: I'm saying you. You're trying to be the applicant and you haven't put us on notice.

MARK SWARTZ: My question was different. Are you telling this Board---

TOM MULLINS: Mr. Chairman, I think it's improper for Counsel to be speaking---

MARK SWARTZ: ---that this petition didn't go to your client?

BENNY WAMPLER: I agree.

GEORGE MASON: Our...yes, it did. Yours has not

gone to my client.

MARK SWARTZ: It's because, you know---.

BENNY WAMPLER: We're out of order here, gentlemen. I note your continuing objection.

GEORGE MASON: Thank you, sir.

MARK SWARTZ: Could we mark this as CNX B for today?

BENNY WAMPLER: Yes.

(Mr. Arrington passes out an exhibit.)

Q. Mr. Arrington, have you done well cost estimates for the two wells that CNX would propose to locate in C-49?

A. Yes, we have.

Q. And have you reported those opposite C-49 in the CNX well cost column?

A. I have.

Q. And what are your estimates with regard to those two wells?

A. For the two wells, the total cost is \$531,370.54.

Q. And the individual well costs are reported on this Exhibit C...CNX B, correct?

A. Yes, it is.

Q. The per well?

A. The per well.

Q. Okay. And how many wells from the application that we've received do you understand that GeoMet proposes to drill?

A. One.

Q. And what was the cost that they reported in their application?

A. \$411,450.

Q. Is this unit C-49 in an infilled area?

A. Yes, it is.

Q. And do the infill rules that this unit C-49 is in allow an operator to drill two wells in the window?

A. Yes, it does.

Q. And is that why you've proposed two wells?

A. Yes.

Q. Okay. With regard to this application, I assume that...I think, we need to hear from you. Are you in favor of pooling this unit?

A. Yes, we are.

Q. And were you, in fact, going to file your own application for December?

A. Yes, we are.

Q. Or were?

A. Were, yes.

Q. Okay. The argument, however, is as to who should be the operator, correct?

A. That's correct.

Q. Who is that you're requesting be appointed operator of this unit if it is pooled?

A. CNX Gas Company.

Q. In that regard, is CNX Gas Company a limited liability company?

A. Yes, it is.

Q. Is it registered and licensed to do business in the Commonwealth?

A. Yes, it is.

Q. Has it registered with the DMME?

A. Yes...yes.

Q. And has it filed a blanket bond?

A. Yes, it has.

Q. And that blanket bond is for reclamation?

A. Yes.

Q. With regard to the percentages here, what interests has CNX acquired in this unit before today? Maybe you need to pass this chart out as well. This would be CNX C.

(Mr. Arrington passes out an exhibit.)

Q. This chart pertains to a number of units,

but it also pertains in particular to C-49, does it not?

A. It does.

Q. And what interest has CNX leased or acquired in this particular C-49 unit?

A. 76%.

Q. Why isn't it the 80.20?

A. Correct. The application as filed shows 80.2%. We went through all of our maps and done the calculation and it appears that it's 76%.

Q. Okay. So, when you do the mapping and calculate the acreages and then the percentage, instead of 80.20, you come up with what number?

A. 76%.

Q. Okay. And in the same vein, the application reported 19.8% gross for the LBR Holdings, correct?

A. 19.8, yes.

Q. I'm sorry, 19.8.

A. Yes.

Q. And when you did the mapping to check that number---?

A. Yes.

Q. ---and the acreage, what did you come up with?

A. 24%.

Q. Okay. And then there's a net column for LBR Holdings. Before we get to the actual numbers, why would there be a gross and net column for LBR Holdings?

A. Yes. There's a percentage of the Lon Rogers tract that is not leased by GeoMet.

Q. Or owned by Lon Rogers either.

A. Right. Or owned by Lon Rogers?

Q. Okay.

A. And that's shown in my net numbers.

Q. Okay. So, the LBR Holding's net interest reported by the application that was filed was what percentage?

A. LBR?

Q. Yes, the net interest.

A. 14.85.

Q. And when you did the mapping and did the calculations, what did you determine it was?

A. 18.

Q. If you were the operator and were to pay royalties and were to be escrowing funds or dealing with funds, which of these numbers do you believe is the...are the correct numbers mapped?

A. The ones in the blue, 24 and 18.

Q. Okay. And 76?

A. And 76, yes.

Q. Okay. The interest...the 76% that you have leased, who is the lessor?

A. CNX Gas Company...oh, lessor, I'm sorry.

Q. Yes.

A. Pocahontas Mining.

Q. Okay. And the lessee would be CNX?

A. CNX, yes.

Q. Okay. And Pocahontas, at least, we don't see any of their representatives here today?

A. Correct.

Q. Okay. The...having reviewed the applications, do you believe that the applicant, GeoMet, noticed the people that they should have noticed?

TOM MULLINS: Objection to what he believes, Mr. Chairman.

BENNY WAMPLER: Sustained.

Q. Is it your opinion that GeoMet noticed the people they should have noticed?

A. Yes, it does.

TOM MULLINS: Objection to his opinion. He's not an expert witness, nor has he been qualified as an expert witness.

BENNY WAMPLER: Overruled.

Q. Do you have the question in mind?

A. Huh?

Q. The question was, was it your opinion that they---?

A. Yes.

Q. ---noticed the folks they should have noticed?

A. Yes, they did.

Q. And so, I guess, you would not suggest that they need to add anybody or subtract anybody today for the pooling application to go forward?

A. No.

Q. Okay. With regard to the recoverable reserves, the application indicated a recoverable reserve, let me see what term they actually used, estimated production of 1.05 bcf, did you see that?

A. Yes, I did.

Q. And you have two wells that you're proposing?

A. That's correct.

Q. And what would your estimate of production be for those wells?

A. Our standard average is 125 to 550 mmcf.

Q. Okay. So, basically, to put it in comparable terms, .125 bcf to .55 bcf?

A. That's correct.

Q. Is there a reason why you used a range of numbers as opposed to one number?

A. It's a field wide average.

Q. What lease terms would you offer if it were necessary to people who were deemed to have been leased in this unit?

A. Our standard coalbed methane lease is a dollar per acre per year with a five year paid up term with a one-eighth production royalty.

Q. Would both of the wells you proposed be frac wells?

A. Yes, they would.

Q. Have you done any analysis to compare site preparation costs and completion and frac costs?

A. I did.

Q. Okay. Have you prepared some exhibits in that regard?

A. Yes, I did.

Q. Could you pass those out?

(Mr. Arrington passes out exhibits.)

MARY QUILLEN: Will the prep D and the completion

E?

MARK SWARTZ: We can do that. We can do that.

MARY QUILLEN: Oh, okay.

BENNY WAMPLER: I don't know what...I'm going to have him clarify what his...what his exhibit number are here.

MARK SWARTZ: Okay. We're going to make D the site prep and E the estimated completion frac Exhibit.

Q. Mr. Arrington, let me show you what we've marked as CNX D today. Again, just with regard to the C-49 unit that we're talking about.

A. Yes.

Q. For one well, what was the GeoMet site preparation?

A. \$89,500.

Q. And for each of the two wells that you've estimated, what number---

A. \$54,140.

Q. And if you double that it's \$108,280, right?

A. Yes, yes.

Q. Okay. With regard to CNX E, what did you...what did you include there?

A. That's the estimated frac and completion

costs. I tried to add their completion and their frac costs together and I added our completion and frac costs. As you can see, their completion cost was \$146,500---.

Q. For one well?

A. ---and ours was \$86,500 for one well.

Q. And, obviously, since you're going to be drilling two wells, it would be double that number?

A. That's correct.

Q. Okay. When you look at the well cost estimate that was provided by GeoMet as part of their application, there's a section that we don't normally see on your estimates, is that...is that correct?

A. Just a minute.

Q. Or some items, I should say.

A. Yes.

Q. I can lend you mine. What items do they include in their estimated well costs that CNX typically would not and does not?

A. Supervision and consulting for instance. Let me see...right offhand, Mark, I think that's...we don't normally include the SCADA system.

Q. Okay. How about the surface production equipment?

A. No, we do not include that.

Q. And would that be both items there?

A. Yes, it would. I'm sorry, you're correct.
We don't include that.

Q. Okay. How about the wellhead equipment,
that would be included would it not?

A. Yes, it is.

Q. So, basically, a difference is they're
including approximately \$25,000 between the surface
production SCADA on tangible costs below the line---?

A. That's correct.

Q. ---that you do not?

A. No, sir, we do not.

Q. Is there a reason you don't include it in
yours?

A. Yes, sir.

Q. And what would that be?

A. If this well would be a failure, you
couldn't...and someone participated in this well, you
couldn't move that equipment without getting the approval of
your joint operator.

Q. So, by paying for it solely yourself and
not asking for a contribution then, if you needed to move
the equipment, it would be free to go?

A. Correct.

Q. But if you sell it to your partner, you've got to deal with them?

A. You have to deal with them, yes.

Q. Can you tell me whether or not you tried to find some third party data on costs and efficiency of CNX as an operating company and on GeoMet has an operating company?

A. We did...I mean, we did do---.

TOM MULLINS: Objection, Mr. Chairman, This is beyond establishing their application, which, I think, is what the chairman gave them leave to do. This is now going into a vein, another avenue. And pursuant to the Board's own regulation 4 VAC 25-160-70-80, they have not filed a written application as required by the regulations. I know the Board has given them a lot of latitude, but I think we're to an end point of that latitude or I would like to suggest to the Board they would be there. The law does not permit them, nor does it allow the Board respectively to grant them an order to force pool this without having met their regulatory guidelines.

BENNY WAMPLER: I'm going to overrule and let him go ahead and pursue it. I think I did that pretty well with you guys when you were making your presentation and we got down and made a decision.

TOM MULLINS: The only other thing that I want to

say is, I am, I guess, uneasy about the length of time, given the schedule on the docket and how difficult it is to get a quorum, if we can proceed forward tonight and get all of these heard.

BENNY WAMPLER: We're not going to hear this on every case---.

TOM MULLINS: All right, sir. Thank you.

BENNY WAMPLER: ---I'll tell you that now.

MARK SWARTZ: That's why I thought I'd try to do it right once.

BENNY WAMPLER: Okay.

Q. Mr. Arrington, first of all, did you bring with you today copies of a Raymond James report pertaining to CNX Gas Company?

A. I did.

MARK SWARTZ: I'd like to mark this one...I guess, we're up to F. So, we'll call this one CNX F.

TOM MULLINS: Objection. That's a hearsay document prepared by somebody out of the presence of the Board and is not admissible.

BENNY WAMPLER: Sustained.

MARK SWARTZ: Okay. Let me mark CNX G and ask you to pass this out. Yeah, just this one.

BENNY WAMPLER: While we're at a pause, I'll tell

all of you, at five to 2:00 Ms. Quillen has to go administer an exam, just get them started and she won't be gone long, but we'll...we'll take a break at that point.

MARY QUILLEN: Engineering, folks, so it's related and relevant.

(Laughs.)

TOM MULLINS: Before this gets passed out, I object to this again, Mr. Chairman. This appears to be a printout from Yahoo concerning GeoMet. Again, they cannot establish the veracity of this report. Unless they're prepared to present the author, this is a hearsay document prepared out of Court.

BENNY WAMPLER: I sustained that objection just a minute ago.

TOM MULLINS: Thank you, Mr. Chairman.

MARK SWARTZ: Actually, this is a press release from GeoMet, so it's an admission. It's admissible unless they have some genuine or some proof that questions its authenticity. It is a GeoMet press release.

TOM MULLINS: This is not---.

MARK SWARTZ: So, it's their document. It's an admission. Admissions are exceptions to the hearsay rule.

TOM MULLINS: First, "Yahoo Finance, sign in, GeoMet, Homes Special Edition, Columnist, Personal

Finance." This is not a press release issued by GeoMet. This some rendition of something. It's not even a complete document. It's cut off on the side. It's a hearsay document. It's not---.

BENNY WAMPLER: I've already sustained it.

TOM MULLINS: I'm sorry. I got wound up there.

Q. Okay, Mr. Arrington, have you undertaken research to enable you to come here today and compare CNX's operating costs to GeoMet's operating costs?

A. We did.

Q. And have you analyzed data and made calculations to enable you to make such a comparison?

A. We did.

Q. And what did you determine when you compared GeoMet's published operating costs to CNX's published operating costs, you know, in terms of who got more bang for the dollar?

A. There was---.

TOM MULLINS: Objection to the characterization of the question. He can ask what the relative costs were. This is direct examination. "Bang for the buck" is not an appropriate direct examination question.

MARK SWARTZ: Well, if he answered the question

and said GeoMet did, you'd probably be thrilled with it. I mean, that's a fair question. It's not leading.

BENNY WAMPLER: I'm going to overrule and let you ask him.

A. It appears from our research that there's approximately a .96 cents difference per mcf.

Q. In costs?

A. In costs.

Q. And who's the higher cost by .96 cents?

A. GeoMet.

BENNY WAMPLER: Do you need to go? How long do you need to---?

MARY QUILLEN: Less than ten minutes.

BENNY WAMPLER: Okay. We're going to take a break right here for ten minutes.

(Break.)

BENNY WAMPLER: Okay, we're back on the record. Mr. Swartz?

MARK SWARTZ: I'd like to call Mr. Toothman.

BENNY WAMPLER: He has been sworn.

TOM MULLINS: Is this for just purposes of a proffer? If it is, that's fine, I won't cross exam, Mr. Arrington. If it's more than just a proffer, then I have some questions to ask Mr. Arrington.

BENNY WAMPLER: I'll permit you to do that.

MARK SWARTZ: It's fine with me.

TOM MULLINS: And this is without waiving my objections that I've made.

BENNY WAMPLER: So noted.

CROSS EXAMINATION

QUESTIONS BY MR. MULLINS:

Q. Mr. Arrington, the sheet that you provided us for estimated well costs, would you pull that and place that in front of you, please? What was the exhibit identified on that?

A. Exhibit B.

BENNY WAMPLER: Mr. Mullins, I need you to pull up closer and maybe speak up a little bit and make sure we get it recorded.

TOM MULLINS: I'm sorry.

BENNY WAMPLER: Exhibit B?

TOM MULLINS: B.

Q. All right. Under the well C-49, which is the one that we were talking about today, if I understand it, your estimated well costs for that unit if \$531,370.54, is that correct?

A. It is.

Q. All right. And your production for that well will be approximately anywhere from 225...excuse me, 250 to 1100 mmcf?

A. For the unit?

Q. Correct.

A. If you're...I'll let Mr. Toothman speak to that.

Q. Well, that's what you testified to---?

A. For two wells.

Q. ---isn't it?

A. Two wells.

Q. Right.

A. That's for the unit.

Q. So, to get that production you have to drill the two wells, correct?

A. Yes.

Q. And your costs are about a \$120,000 more for that?

A. For the two wells.

Q. Right. To get the same production, at the best?

A. There will be an increase in production.

Q. Did you not testify to 1100 mmcf?

A. I testified that our estimated reserves

there was 125 to 550.

Q. Per well?

A. For the unit.

Q. For the whole unit?

A. Yes.

Q. So, the two wells together will produce
550?

A. I'll let Mr. Toothman speak to that.

Q. I need to, I guess, get clear what your
testimony was. You testified, as I understood it, 125 to
550 per well. Is that...was that your testimony?

A. Not per well. I did not testify to that.

Q. Then what is your testimony for production
per well?

A. Our estimated reserves for a well in a 80
acre unit is 125 to 550.

Q. So, you're not making any representation as
to what the production will be?

A. No, I'm not.

Q. Okay.

A. Mr. Toothman does the reserves.

Q. Now, if I understood, you said the 125 to
550 is an average.

A. Across the field.

Q. An average is usually a single number.
When you average things you add a lot of numbers together to come to one number. We've got an average range here---.

A. We do.

Q. ---instead of an average number.

A. We do have.

Q. What is the average number?

A. I'm not sure.

Q. Okay. You all charge a deduct, don't you?

A. Yes, we do.

Q. Okay. That's not reflected in the estimated well costs, is it?

A. No.

Q. So, that would be an added cost that gets passed along that is not reflected in your well cost estimate?

A. It is an...a cost later on.

Q. Did you...you were present when the testimony came in as to the lease terms for GeoMet, is that correct?

A. I was.

Q. And it's your understanding it's four dollars per acre per year for twenty dollars for a five year paid up lease?

A. I did hear twenty dollars per acre.

Q. And you all paid what?

A. For a coalbed methane lease, our standard lease terms are a dollar per acre per year with a five year paid up term.

Q. So, if I'm doing it right in my head, that's five dollars as opposed to twenty dollars for a five year paid up?

A. That's correct.

Q. Has there been any efforts made by CNX to lease any of the open interests, the Roger Cousins as they have been referred to?

A. Yes, there has in the past.

Q. For this well, this unit?

A. Not particularly for this unit.

Q. You didn't start the actual survey work on this unit that you've testified to until after receiving the application for hearing and the notice of hearing filed by GeoMet that is being considered by the Board today, is that true?

A. I started this survey, yes. I have surveyed in that unit before.

Q. You started surveying for the purposes of presenting to this Board your position for a...to be

designated as operator after receipt of the application for the pooling, isn't that true?

A. Absolutely we did. We have a majority interest here.

Q. Has CNX ever force pooled units that they have had less than 50%?

A. Yes, we have.

Q. Have you ever force pooled interest that you've had less than 20%?

A. I've certainly had them filed.

Q. Have you ever force pooled a unit when CNX had less than 20% of the unit...gas percent of the unit owned?

A. We may have. Without a list here in front of me, I can't answer that.

Q. Okay. Back on October the 18th, 2005, is it your recollection that you all pooled 6...when you only had 16.3% of the gas interest on unit BF-101?

A. Again, without my file, I can't answer that. That's what your chart shows here. So, I would assume that that's how much of the oil and gas interest that we own...have.

Q. Okay. If that's what the records of the order that's filed in the Gas and Oil office, you would not

dispute these numbers?

A. No, I would not. But I would say that we would have also, as your chart shows, we had a 100% of the coal leased with consent to stimulate.

TOM MULLINS: Strike the "consent to stimulate". That was not part of my question and that is not relevant to a Board hearing.

MARK SWARTZ: It sounded responsive to me.

TOM MULLINS: Objection to the gratuitous comment by Counsel. It had nothing to do with---.

MARK SWARTZ: I was responding to your objection, sir.

BENNY WAMPLER: Gentlemen, we're not going to... we're not going to go there. This is an administrative body. We're not going to get into---.

TOM MULLINS: Thank you, Judge.

BENNY WAMPLER: How do you want to label this before you leave it?

TOM MULLINS: How about Exhibit One, if that's okay? Our application would be already of record and the exhibits attached thereto. That would be our hearing Exhibit One.

BENNY WAMPLER: So, it would be GeoMet Exhibit One?

TOM MULLINS: Yes, sir.

BENNY WAMPLER: Okay.

(Mr. Mullins confers with Mr. Taylor.)

TOM MULLINS: I don't believe I have anything further.

BENNY WAMPLER: Okay.

MARK SWARTZ: Nothing further of Mr. Arrington.

BENNY WAMPLER: Okay. Go ahead and call your next witness.

RICK TOOTHMAN

having been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Mr. Toothman, you get to say your name, again.

A. Richard L. Toothman, Jr.

Q. Who do you work for?

A. CNX Gas Company, LLC.

Q. What do you do for them?

A. I'm Vice President of Engineering and Technical Services.

Q. How long have you been with CNX?

A. Well, in all of its affiliates, since 1986.

Q. If I remember correctly, that's probably when you graduated college?

A. Yes, that's correct.

Q. Where did you graduate from?

A. West Virginia University.

Q. And your degree was in?

A. In Petroleum Engineering.

Q. Okay. Just a general summary sort of way, what kind of work have you been doing for CNX and its predecessors since you left West Virginia University?

A. The bulk of that time has been spent developing coalbed methane resources. I started in the Sanwan Basin in that large CBM play. I moved back to, I guess, the Appalachians in 1992. I've been charged with designing the stimulation procedures, multiple seam fracs and so forth. We were some of the first ones to do that work.

Q. There's...when we file applications, meaning CNX, we report a range of production estimates in our applications. Are you familiar with that range?

A. Yes, I am.

Q. And what is the range that goes into CNX applications?

A. The range is from about 125 to 550 mmcf of gas per well.

Q. Okay. And to compare that to what GeoMet is suggesting the production from this particular well would be, they're suggesting 1.05 bcf, if I'm not mistaken, do you understand that?

A. Yes, I do.

Q. And how would 125 to 550 compare if you used a decimal and put it into bcf for us?

A. It would be about half...at the higher range, it would be about half of what they're advocating that they're going to get from a well.

Q. Okay. So, basically, if we just stuck a decimal in front of the 125, that would be .125 bcf on the low end---?

A. That's correct.

Q. ---and .55 bcf on the high end?

A. That's correct.

Q. Is there a reason why...strike that. Mr. Arrington deferred to with regard to that number. Did you hear his testimony?

A. Yes, sir, I did.

Q. In fact, does that range number, is that something that has come from you?

A. Yes.

Q. Why...why do you give a range as opposed to one number?

A. Well, I guess, to support even the testimony that Mr. Taylor presented earlier, CBM...coalbed methane is a statistical play. There are many, many perimeters and variables that control the recoverable reserves from a location. Some of those are in the ground, that is the total coal thickness, the gas contents and whether or not there is...permeability does come into play from a recoverable standpoint because you can't assume that you get the same recovery on every single well where you get...if you're doing recovery a specific time frame. Those that are fractured and opened are going to produce a lot more gas. I think that the Board is very aware that we get quite a significant range of production results on a well by well basis. So, what we try to represent in the pooling applications is that we don't know exactly what...what the actual production is going to be per unit because it does vary quite a bit.

Q. Fracture and stimulation variables also in ultimate production?

A. Yes, there is.

Q. And how would that affect it?

A. Well, there are multiple coal seams in this particular area. So, you're stimulating multiple coal seams at the same. You may do a better job getting into some versus the others. That part you may be able to control, but unfortunately mother nature controls a lot of times the length of the fracture that's created and orientation. Whether or not it's horizontal or vertical in all of the things will impact the rate of which and the recoverable reserves from each well.

Q. If I were to ask you to come in and tell the Board to a decimal what a well in any given unit was probably going to produce, is that an exercise that you could meet the challenge?

A. No, not accurately. I could throw a number out, but not accurately.

Q. Have you reviewed a number of the GeoMet applications here today?

A. Yes.

Q. Okay.

TOM MULLINS: Objection to the number. We're here on one well application or one unit application.

BENNY WAMPLER: I'm just going to have you...let you restate your ongoing objection.

TOM MULLINS: Thank you.

Q. What is your recall from reviewing those applications as to whether their anticipated production number, generally speaking, exceeds 1 bcf?

A. Are you asking me do they?

Q. Right.

A. Yes. Generally speaking, they do. They're right at about a bcf of well. But they do vary on a well by well basis.

Q. To some extent?

A. To some extent.

Q. Can you tell the Board whether or not CNX has wells that have already produced a bcf?

A. That's correct. They...they have and that excludes the remaining production from those wells. So, they will be---.

Q. But they've already come out of the ground?

A. That's right.

Q. Okay. Can you tell the Board whether or not CNX has wells that haven't yet produced a bcf of gas, but that you think are headed in that direction?

A. Absolutely. We've got many wells that fit that description.

Q. How many thousands or hundreds of wells does CNX have that you have access to data and information

regarding---?

A. I can't recall the exact number, we're somewhere in the range of 1500 wells.

Q. Okay. Is the bcf or better well a typical well in that 1500 well mix?

A. No, it is not.

Q. Are the wells spread over some kind of curve in terms of where they land in terms of production?

A. Yes.

Q. Could you go to the blackboard and give the board an item of how the wells in Virginia distribute themselves in terms of production?

A. Well, I'm not a statistician, but I'll...I guess, I'll still say statistically speaking, what I would expect in the way coalbed methane comes out, there's very few zero.

BENNY WAMPLER: Talk very loudly, okay.

A. Okay. There's very few zero production wells. I guess, if we were going to do something as far as the well count, a 100% of the wells, you know, are reaching up here. I would expect for our production to fit something along this line. Although I'm not a good drawer, I will...I intentionally drew this out a little bit to the high side. This is not a perfect bell curve. What I mean by that, the

average sitting in here across the field, you know, may very well be in the 400 to 500 range. I would say that virtually no wells fall in the 0 to 50 million range because all of the wells in the coalbed methane field down here, like I said, there's...I don't...I'm not aware of a single dry hole, although we've got some uneconomic wells. But this is going to be skewed towards the high side. Like I said, you will see wells that may exceed 2 bcf of gas and this being the .5, I don't have the actual statistics, the .6 and .2 are something like that. So, what we're trying to say is if we looked across the field and we tried to reflect reasonably for people to make a decision based on that reasonably, we would be somewhere between this...these numbers setting down here about .15 to the .55. That's the way that number was developed.

Q. Thank you. Why don't you grab that mic and bring it back here?

MARY QUILLEN: Mr. Chairman, would---?

BENNY WAMPLER: Ms. Quillen.

MARY QUILLEN: ---it be out of order if I asked Mr. Toothman a question?

BENNY WAMPLER: Please, go ahead.

MARY QUILLEN: In this area here where this unit is located, what is your companies experience with the

number of wells that have previously been drilled and are they all frac wells or---?

RICK TOOTHMAN: Yes, ma'am. We do have frac wells in that area. I think, if you bear with us just a little bit, we have presented a little bit of information that we may be able to answer that question to kind of...to kind of show you that.

MARY QUILLEN: Oh, okay.

RICK TOOTHMAN: Yes...yes, ma'am.

Q. Well, let's just actually skip to that.

A. That's fine.

Q. We'll just go there. This would be I'm thinking G, if I'm not mistaken. It would be CNX G...F got---.

BOB WILSON: F got rejected.

MARK SWARTZ: F got...well, nothing happened. It just got deferred.

GEORGE MASON: This is G.

MARK SWARTZ: Now, wait a minute. I may have...I may have messed up.

MARY QUILLEN: Is this one...is this one F?

MARK SWARTZ: Do we have an F already?

BENNY WAMPLER: We don't have an F.

MARY QUILLEN: We don't have? Is this one an F?

DEANIS SIMMONS: You don't have an F. You have a D and E.

RICK TOOTHMAN: That's that the two that---.

BENNY WAMPLER: You tried to get an F in the record and I wouldn't let you.

RICK TOOTHMAN: E and F, I think. The Yahoo and the other thing you labeled, but he didn't accept them

MARK SWARTZ: Okay. Well, let's...what did I write on this, G?

LESLIE K. ARRINGTON: You didn't write anything. You said G.

MARK SWARTZ: Okay. Let's do this one that he's passing out now G and let's make the one that I passed out before F so that we can fill in that blank, okay. So, this chart is F and then what Les is handing out now is G to get that number right.

(Mr. Arrington passes out an exhibit.)

TOM MULLINS: This one is G, right?

MARK SWARTZ: This is G.

MARY QUILLEN: This one is...this one is F and this one is G.

Q. Is the data on CNX G CNX data?

A. Yes, it is.

Q. Okay. Now, do you have sort of a general

question in mind in terms of CNX experience with their wells that the Board just put to you?

A. I don't know what you're asking right now.

Q. Okay. Why don't you go ahead and explain what this...you know, the data that you've used to prepare this chart and what range of results this chart reports?

A. 50...the data that was put together here were frac wells that were a little bit to the southeast of the proposed unit. C-49, in this particular area, we're back five or six units to the south.

Q. Okay. Are we in the I roll then?

A. Yes. This red graph is I-50. As you can see, that well very rapidly reached a peak production of well over 500 mcf of gas per day. It has been on a slow steady decline every since that point over five years, but it's still after five years of time doing over 200 mcf of gas per day.

Q. Okay. And that red line on CNX G is just one well?

A. That is correct. That is one well.

Q. In unit what?

A. I-50.

Q. Okay. To put that into prospective, is that well on target to produce more than a bcf of gas?

A. Absolutely.

Q. Okay. What are the other wells or what are the other results that are shown on Exhibit CNX G?

A. Well, let me explain what I did just so you've got the background. What I wanted to show is that, obviously, within a very small area what I took a look at was nine units that were adjacent. I took I-50 as the center well and I took the eight offsetting wells around in all directions to take a look at the production performance, just for illustration purposes. In that area where you would expect the gas contents, the coal thicknesses and so forth to be fairly uniformed, the production results vary traumatically.

TOM MULLINS: Objection. This is a different objection besides my continuing objection. This is remote to the area that's under consideration by this application that's pending by GeoMet. There has been no correlation between what data is shown on this unit I-50 versus what's pending before the Board.

BENNY WAMPLER: Sustained.

Q. If you get a 1 bcf...based on your experience, if you get a well that is headed to produce 1 bcf, what level of confidence, if any, do you have that any wells in the immediate vicinity are going to meet that?

A. None.

Q. Is that what this chart shows?

A. Yes.

TOM MULLINS: Objection to the chart. The Board has already ruled on its inadmissibility.

Q. And basically...let's compare what you found with the I-50 well and then circling around it to look at other wells to see how they measured up...let's compare that to some data that we got from GeoMet on one of our visits to the Board a while back on---.

TOM MULLINS: Objection. You've already ruled that the information on I-50 and the surrounding wells is not relevant for this pending application and doing a comparison between what's inadmissibility and already been ruled inadmissibility to another document that has not been admitted, handed out but not admitted, I object.

MARK SWARTZ: You know, I would think that the reliability of this 1 bcf number that they've pasted on this application and all of these other applications would be a crucial element---.

TOM MULLINS: That's not what he's attempting to do.

MARK SWARTZ: ---to their application---.

BENNY WAMPLER: Well, the---.

MARK SWARTZ: ---their credibility, whether or not what they put---.

BENNY WAMPLER: Mr. Swartz, you know, I did overrule that before and you were going right to tying the two together. You can talk about what this represents.

DEANIS SIMMONS: You mean you sustained his objection.

BENNY WAMPLER: I'm sorry?

DEANIS SIMMONS: You sustained his objection and not overruled.

BENNY WAMPLER: I didn't overruled it. I sustained the objection, yes.

MARK SWARTZ: I'm sorry?

BENNY WAMPLER: I sustained the objection to talking about the things that's not a direct comparison to this. I said you can talk about this. But you're trying to tie something that he objected to and I sustained the objection.

Q. Okay. Mr. Toothman, let me ask you this, is it your opinion, as a graduate Petroleum Engineer with twenty some years of experience, that the chart CNX G is highly relevant to the inquiry of expectations and predictability of production on a per well basis?

A. Yes.

TOM MULLINS: Objection to going back into the same exhibit---.

MARK SWARTZ: Well---.

TOM MULLINS: ---that has already been ruled upon by the Chairman.

MARK SWARTZ: I mean, he's an expert. It's the kind of data he relies on. I mean, I'm entitled to pursue this with him.

TOM MULLINS: It's not in the area and the Board has already ruled upon that.

BENNY WAMPLER: And I ruled...I did rule...sustained the objection because I didn't think you established relevance to the area that we were talking about. I was about to let you go to this to talk about that. I thought that was where you where going.

MARK SWARTZ: Well, I'd kind of like to stay with this.

Q. I mean, is this I-50 well so far away as to, in your judgment as a graduate Engineer with twenty some years of experience in the coalbed methane in the coal field, far enough away to not be relevant or not be important to---?

BENNY WAMPLER: Mr. Swartz, he just got through saying that one well didn't...wouldn't tell you anything---.

MARK SWARTZ: I sense---.

BENNY WAMPLER: One well heading...a billion...1 bcf wouldn't tell you anything.

A. But there's...I think what he's trying to say---.

TOM MULLINS: Objection to the witness saying what the lawyer is trying to say, Mr. Chairman.

MARK SWARTZ: Well, I mean, if I can't---.

Q. How many wells are on I-50?

A. This graph---?

Q. Or on CNX G?

A. There's nine wells on the graph.

Q. Okay. How many of them are 1 bcf wells?

A. I can't answer that. I don't know.

Q. Well, it looks like one of them is headed to---.

TOM MULLINS: Objection to him leading his own witness and supplying the answer to the question that the witness has already said he didn't know the answer to.

BENNY WAMPLER: Sustained.

Q. Are the units that these wells are in, that are depicted...that are charted on CNX G, do they touch one another?

A. Yes, they do.

Q. And how many wells again?

A. There are at least nine. I think there's actually two infills. So, I believe, there's eleven total.

Q. Okay. And is the red well in the middle of the group that touches?

A. Yes, it is.

Q. What predictability can you derive from the production of the red well and apply to predictable outcomes in the neighboring wells, if any?

TOM MULLINS: Objection. That has already been ruled upon. The predictability of what happens in I-50 and the surrounding units is not relevant---

BENNY WAMPLER: Sustained.

Q. Let's look at CNX F, okay.

A. Okay.

Q. The top of that is a graph that GeoMet brought to a hearing a while back, correct?

A. That's correct.

Q. And they represented this was how many of their wells?

A. Five.

Q. And they were in this...generally in the same vicinity?

A. That's correct.

Q. Okay. If you compare CNX F to CNX G, do you see any kind of correlation?

TOM MULLINS: Objection to comparing it...that's the same objection. It's the same question he asked five minutes ago that I objected to and the Chairman sustained the---.

BENNY WAMPLER: Sustained.

Q. Would you agree that the CNX results...that the GeoMet results as shown on CNX F indicate that there is no relationship between the production of neighboring wells?

TOM MULLINS: Objection. He has not laid a foundation for that.

MARK SWARTZ: I'm asking him an opinion.

BENNY WAMPLER: I'm going to overrule that.

A. My opinion is that you would not be able to predict before drilling on adjacent wells the exact performance of a well, the exact reserve and production rate of that well.

Q. And if we take GeoMet and assume that they have predicted 1 bcf or better for this well and virtually every well in this group of applications that they've filed today, based on your experience, how many of those wells, those roughly thirty some wells, could you reasonably expect to be at the far 1 bcf and north range of the curve, if any?

A. Well, I would certainly support Rogers 167 of reaching that benchmark. You know, statistically, I've already kind of showed you on the Board. I believe if you looked at our 1500 wells and---

TOM MULLINS: Objection. That's not responsive to the question asked.

MARK SWARTZ: He said it to an answer.

TOM MULLINS: He asked a different question and he's trying to go back in statistically into all of the CNX wells.

A. Do I believe that all five of these wells are going to do---.

BENNY WAMPLER: I'm going to---.

A. ---a bcf of gas, the answer is no, I don't.

Q. And based on your experience with 1500 wells, how many of those wells are bcf wells or likely to be bcf wells?

A. Well, a small percentage. I don't know the exact number right now.

Q. But certainly not a 100% or 90%?

A. No.

Q. Have you looked at publically available data on GeoMet wells?

A. Yes, sir, I have.

Q. How many wells?

A. I think there was a 142 wells the last time that I had looked at the data as of the end of '05.

Q. And what was their average per well?

TOM MULLINS: Objection if they cannot relate it to an area...if they cannot relate it to a field, it's not relevant.

A. We can relate it to the Pond Creek field with the exception of about five wells that fall into the Virginia side. If we take a look at that area, which is immediately to the north that runs right into this, those 142 wells are 60 a day.

TOM MULLINS: Has the Board...has the Board already ruled on the West Virginia information coming into evidence? I thought the Board had excluded that in the past.

BENNY WAMPLER: I don't see any relevance of West Virginia information.

Q. Is the Pond Creek West Virginia production on the maps, CNX A?

A. Yes, sir, it is.

Q. And it's where the circles are?

A. That's correct.

Q. It's right across the state line?

A. It's one to two units away in some cases.

Q. Okay. Does the geology change when it crosses the state line?

A. No, sir, it does not.

Q. In your opinion, is the Pond Creek production---?

TOM MULLINS: Mr. Chairman---.

BENNY WAMPLER: Mr. Swartz, I just ruled that I don't want to hear West Virginia information.

Q. Okay. What is their average production in Virginia?

A. I think that Mr. Taylor said 160 mcf a day was the average...existing average of the five wells. I can't answer if that's correct or not. That data won't be available until the end of the year.

Q. Okay. And the data you do have available is a combination or is essentially the adjacent field to...up in West Virginia?

A. That's correct.

Q. Okay.

A. It would include those five wells.

MARK SWARTZ: I'm thinking that's all I have of Mr. Toothman.

BENNY WAMPLER: Mr. Mullins?

TOM MULLINS: Sure.

CROSS EXAMINATION

QUESTIONS BY MR. MULLINS:

Q. Mr. Toothman, CNX reports its gas reserves on its public disclosure documents, does it not?

A. Yes, sir, it does.

Q. You don't report those in a range do you?

A. We report one number.

Q. Okay. How do you get one number if all you can estimate per well is a range between 125 and 550 or five fold...almost five fold the amount? How can you get to a certain number for making a representation to the public as to your reserves?

A. To the reserves, we disclose proved reserves. That's the only thing that's required to provide to the FCC and that's based on actual production data. So, we forecast on every single well on a well by well basis.

Q. Is any of this area proven reserves?

A. Yes...well, not, obviously, in these units But, yes, sir, there is wells in that...in that area.

Q. So, you do unit by unit to prove reserves?

A. After there's production established we forecast, yes, and not before.

Q. Okay. Do you not do any statistical analysis per well based on seam thickness?

A. Actually, no.

Q. I thought you testified that that was something that was important in determining what reserves were?

A. But there's more than just seam thickness that enters into calculation. That was my point.

Q. Do you use seam thickness?

A. From a...from a proved reserve...proved, developed reserve?

Q. No, no. I understood and maybe I misunderstood, I apologize if I did, but when you...when CNX presents an application there is a list of the estimated reserves, is that correct?

A. That's correct.

Q. And it was my understanding that your testimony was seam thickness was something that was important in determining what those reserves were. Is that not your testimony?

A. No. What my testimony is what's in the application is a range based on actual production performance response and that is from taking production history and forecasting it out with mathematical models.

What I did testify to was that seam thickness, gas content and permeability those are important in a given area to indicate how much gas that you'll get. Unfortunately, we don't have all of that data to make those kind of conjectures. I don't...I don't believe GeoMet has perm data across the field either to do that.

Q. Are there not core holes all over this area?

A. Yes.

Q. And couldn't you use the core hole data to come to some reasonable as to seam thickness?

A. We have data that would tell us seam thickness and gas content. We don't have data that would tell use permeability.

Q. So, would it be fair to say that you use...once you've reached your average you use that same number in every unit?

A. That's correct. That's what our applications show.

Q. So, anybody looking across the Board all of your applications would be looking at the same number and is that meaningful information if it's always the same number?

A. Well, because it's a range, I think it's meaningful, yes, sir. I don't believe we or anybody could

accurately put a number a unit.

Q. Would you agree that it ranges from an uneconomic well, your range, to an economic well?

A. It depends on gas prices at the time the thing is put out there.

Q. So, basically, what you're representing to the public is that it's either going to be a winner or a loser and you don't know and you're not making any representation to that?

A. No, I think we're giving a believable range based on some 1500 data points.

Q. Some of it will be economical if it's the bottom end and uneconomical at the top end?

MARK SWARTZ: I think you've got it reversed.

JEFF TAYLOR: You did.

TOM MULLINS: I did. I'm sorry.

A. Yeah. I can't tell you.

Q. Reverse that.

A. I can't tell you right here today...I can't tell you today that the lower end is truly uneconomical. It would depend on the assumptions that were made both by...both by us and by whoever is doing the analysis.

Q. What's the average life of a well in this area?

A. In which area, sir?

Q. The Oakwood Field.

A. Across the entire field, the average life it was not impacted by mining, what we're looking at from a reserve standpoint is up to a 65 year life.

Q. Okay.

A. Up to a 65 year life.

Q. Okay. So, these wells, based on Exhibit F that has been submitted, if they were to run out, they would be run out in 60...well, it's about a year's worth of data, 64 more years?

A. Yes, that's probably correct. 63 or 64 years.

Q. And in your well estimates, it's a 125 over that 65 year life?

A. I'm sorry?

Q. The range that you give, okay, 125 to 550, the 125 number is over the 65 year life of the well?

A. That would be correct.

Q. And if you look at the GeoMet wells Exhibit F, after one year of production the best well was approximately 235 mmcf, is that correct? If you need to look at it---.

A. I'm sorry?

Q. You don't need to...I've handwrote these numbers in. That's not on the exhibit. I'm just asking you if you can---?

A. What are you asking me, again?

Q. The top graph number---.

A. Okay.

Q. ---the total production after a year 235 mmcf.

A. Okay.

Q. I mean, do you disagree with that?

A. No.

Q. And that already exceeds the bottom end of your estimate?

A. We've got wells that exceed our bottom end and our upper end as well. We've already testified to that.

Q. And after one year, the next line down, 118 mmcf---.

A. That's correct.

Q. ---after one year.

A. Okay.

Q. That's almost the 125 number, correct?

A. That would be almost 125.

Q. And the third line down, 91 to 231 after one year, that's approaching the bottom end after 65 years

of your 125 mmcf estimate, isn't that true?

A. That's correct.

Q. So, you don't do a per well analysis for each individual unit that you do an estimate on?

A. Explain what you're asking, a per well analysis.

Q. You don't treat each well as a unique entity and try to---?

A. We---.

Q. ---determine what the reserve and production reserve estimation is per that unit---?

A. That's correct.

Q. ---you take the estimate across the entire field and plug that number in?

A. Well, you're close. On approved developed producing reserve, we take the actual production numbers and forecast it on a well by well basis, which means if there's one well in a unit, that would be a unit by unit basis. If there's two wells in a unit, then it's still a well by well basis. On a undeveloped location, we will pool...we will pool the area of existing information in that area and we will adjust...we will adjust our assessments across the field. We do believe we've got statistically better areas than others, but we don't have a CAD on a well by well basis

exactly what that reserve is.

Q. So, as I understand what you're telling us then, you don't make any well per well prediction until a well is actually drilled and produced, is that correct?

A. On approved developed producing basis, yes.

Q. So, on a force pooling situation when no well has been drilled, you don't do a well by well analysis?

A. We provide a range based on 1500 units...1500 data points, that's correct.

Q. That span of whole geographic and geological region, is that true?

A. Absolutely.

Q. And some areas are better than others, true?

A. That's correct.

Q. So, you're lumping the bad folks in with the good folks?

A. No, we're saying that the good ones would probably be on the 550 range and the bad ones could be maybe towards the lower range.

Q. And there's no way I could tell if I received the notice which end of that range I would be on, is there?

A. There's way that you would know that you've

got a bcf in your application.

Q. That wasn't my question, sir. I know you want to ask me questions, but that's not proper. My question is, I would not be able to make that determination based upon the information given in your well cost estimate range, isn't that true?

A. Yeah, you would be able to make a estimate based on that range. I would run sensitivities if it was me and figure out just where I would come out.

Q. So, the people in Buchanan County that this affects should run sensitivities to figure out where they should participate in a well, is that your testimony?

A. Well, sir, I think so. I think that...I think that they are going to have to run their own price forecast as well, which is also very economic.

Q. Since I don't know what is a sensitivity, I've never heard the term until you said it right there aside from relating to personal feelings.

A. Well, you provide a gas price forecast with the production forecast that's out there. If you don't, somebody has to make some assumptions that may or may not be consistent with GeoMet's for them to make that election. That is a sensitivity.

Q. And surely not within the range given by

CNX because it goes from what is admittedly possibly a non-economic to an economic well given the analysis across the Board affecting that particular unit since it hasn't been drilled yet?

A. What was your question when you said---?

Q. That was...isn't that true?

A. I didn't hear the question. That's what I'm asking you.

Q. Strike it. Does the effectiveness of the stimulation of the stimulation of a fracture job have anything to do with production?

A. Yes.

Q. And so how that's performed would affect production?

A. Potentially. It, along with many other things.

Q. Okay.

A. You could do an effective job and not produce the well effectively and still negatively impact the well, but it is one variable, yes, sir.

Q. Okay. I think it's your Exhibit E, the estimated completion frac estimates.

A. Uh-huh.

Q. Can you tell us what the difference in the

two classes are compromised of? Why there is a 1465 for GeoMet and 865 for CNX? Do you know that?

A. Yeah, I know part of the reason. I know two reasons.

Q. Why?

A. Well, one is that Consol has a much larger representation here so we get much better deals with the contractors that provide the work.

Q. Okay. What else?

A. The other thing that GeoMet does more stages than we do.

Q. And the more coal---?

A. Generally speaking.

Q. And that means more coal seams are stimulated individually, is that not correct?

A. More coal seams are stimulated individually.

Q. Which could account for increased production, isn't that true?

A. Well, we've ran our own test. It may or may not because we've actually done as many as 18 stages in an individual well with no improved production.

Q. So, we go back to Exhibit F then that shows production in one year that shows productions coming close

to your production or within certainly a reasonable range of your low end estimates over the 65 year life?

A. Well, how would you explain, based on stimulation effectiveness, the various in the 450 and the 100 if you did all the work?

Q. I'm not a Petroleum Engineer. I don't explain anything. I ask questions.

A. Well, I can tell you it has nothing to do with the stimulation.

Q. Now, to get the same production as represented by GeoMet, you all would have to spend twice that, true?

A. I'm sorry?

Q. To get the same production as represented in our application that's pending before this Board versus what you all represented, you all would have to do two frac jobs, correct?

A. That's correct.

Q. And that would total a \$173,000 for that unit, correct?

A. That would be to exceed your production number, that's correct.

Q. And how much...by how much would you exceed it? Can you give me a number now? What would that---?

A. I can't give you a number because you know what we've testified out there and we don't do it on a unit by unit basis, but we've conceded that there are others that will well produce more than a bcf of gas.

Q. So, what you're telling me you could spend a \$173,000 and only produce 250 mmcf?

A. I'm saying that both us and GeoMet could spend \$176,000 and only get \$250,000 cubic foot of gas. Yes, sir, that's what I'm saying.

Q. Okay. So, GeoMet's price is actually less?

A. (Laughs.)

Q. True?

A. Actually less per unit or per well?

Q. For this unit.

A. No.

Q. You all are projected two wells.

A. We're projecting that GeoMet is not going to get a bcf of gas per well.

Q. You're projecting drilling two wells, correct?

A. That's correct.

Q. You're going to spend more money?

A. That's correct.

Q. We're going to spend less money, correct?

A. That's what your...yes.

TOM MULLINS: Okay. That's all I needed.

A. But not to get the reserves, correct.

TOM MULLINS: Strike that. I didn't ask a question.

REDIRECT EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Looking at Exhibit...CNX Exhibit F, is it...I'm going to ask you to assume that GeoMet designed the frac or stimulation job on all of these five wells?

A. I would assume that's correct.

Q. Okay. And that as a result, they hired contractors to do the same stimulation job on the five wells?

A. That's correct.

Q. And amazingly, however, the production on the five wells is traumatically different?

A. That's the way I see.

Q. Based on that, would you conclude perhaps that stimulation and fracture may not be the answer?

A. That's one of about a thousand variables, that's correct.

MARK SWARTZ: That's all I have.

BENNY WAMPLER: Do you have any other witness?

MARK SWARTZ: No.

BENNY WAMPLER: Mr. Mason.

GEORGE MASON: I have no questions.

BENNY WAMPLER: Anything further?

(No audible response.)

BENNY WAMPLER: Okay, Board. Is there a motion?

MARY QUILLEN: Mr. Chairman, I have just one more question before you---.

BENNY WAMPLER: Okay, sure.

MARY QUILLEN: For Mr. Arrington, when I asked earlier about experience with wells in the general vicinity of C-49 and Mr. Toothman gave us information on I-50, is there any other wells that you have experienced that are more closely related to C-49?

LESLIE K. ARRINGTON: Well, we do have wells in D-48 and D-49 units. They're not great producers. If that's...if that's what you're looking at...if that's what you mean.

MARY QUILLEN: Right. Yeah. That was basically what...how...how did those wells produce that were close...more closely related to C-49?

LESLIE K. ARRINGTON: They're not great producers.

RICK TOOTHMAN: They are producing.

LESLIE K. ARRINGTON: They're producing and I could...they're not great producers. They would probably be average producers.

MARY QUILLEN: How old are these wells?

LESLIE K. ARRINGTON: I can look it up. I brought that information with me.

MARK SWARTZ: Why don't you do that?

LESLIE K. ARRINGTON: Sure.

(Mr. Arrington looks up the information.)

LESLIE K. ARRINGTON: D-48 and 49 went online...D-48 went online on October the 25th, 2002.

RICK TOOTHMAN: It's currently do 6---.

LESLIE K. ARRINGTON: D-4...D-49 went online on December the 15th, 2002. Rick will be able to tell you the production.

RICK TOOTHMAN: I can tell you what it is now. I can't tell you what the peak or the IP based on this data, but I can tell you that the one well is currently doing 62 mcf a day and the other well is currently doing right at about 30 mcf a day.

MARY QUILLEN: Look up at C...it looks like a black dot in C-50. Is that---?

RICK TOOTHMAN: It's not yet online.

MARY QUILLEN: It's not yet online?

RICK TOOTHMAN: It has been drilled, but it's not yet online.

MARY QUILLEN: Okay. What about B-50?

LESLIE K. ARRINGTON: No.

RICK TOOTHMAN: The same and B-51 as well.

MARY QUILLEN: Those are not...they've been drilled, but not online yet?

RICK TOOTHMAN: They're not yet online, that's correct.

MARY QUILLEN: Okay. What about C-47, drilled?

LESLIE K. ARRINGTON: No.

MARY QUILLEN: Okay. So, all of those wells that are directly adjacent have been drilled, but aren't currently online besides 47-D, 48-D and 49-D, is that correct?

LESLIE K. ARRINGTON: That's correct.

MARK SWARTZ: I'm not sure on 47. She included it.

LESLIE K. ARRINGTON: Oh, D-47 is not online.

MARY QUILLEN: Oh, D-47 is not online?

LESLIE K. ARRINGTON: No.

MARY QUILLEN: D-48 and 49?

LESLIE K. ARRINGTON: That's correct.

MARY QUILLEN: And what about D-50, did you say

that was not online?

LESLIE K. ARRINGTON: No, I don't think it is.

MARY QUILLEN: Okay.

LESLIE K. ARRINGTON: No.

MARY QUILLEN: What about the ones that are directly below E-48 and E-49, are they drilled or...just drilled or are they actually online?

LESLIE K. ARRINGTON: E-48 I think is.

RICK TOOTHMAN: No. No, E-48 is not.

LESLIE K. ARRINGTON: It is not.

MARY QUILLEN: What about 49?

RICK TOOTHMAN: There is a 49 through 53. 49 is doing 23. E-53 is doing 153-156. These areas...it appear to be just now coming online. I mean, you're seeing some of that. I don't have the online data. Maybe Les has that there. Maybe you've got it, but I'm not sure.

LESLIE K. ARRINGTON: Which one?

RICK TOOTHMAN: Like E-49?

LESLIE K. ARRINGTON: E-49 1122, 2004. E-50 1117, 2004.

RICK TOOTHMAN: Okay. So, those have been on for a little while.

MARY QUILLEN: So, all of the wells that are actually producing that are adjacent to C-49 have been

producing since 2002 to 2004?

LESLIE K. ARRINGTON: That's what it appears.

MARY QUILLEN: And, Rick, correct?

RICK TOOTHMAN: Yes, correct.

MARY QUILLEN: You said they were not producing at the high end.

RICK TOOTHMAN: That's correct. I mean, based on the ranges that you're seeing there---.

MARY QUILLEN: Right. Yeah.

RICK TOOTHMAN: ---both of those wells would be...those wells would not be, in my belief, without running the calculations out, ma'am, at this point I wouldn't expect them to be at a bcf of gas. No, no, I would not.

MARY QUILLEN: Uh-huh.

RICK TOOTHMAN: I would expect those to be significantly less.

MARY QUILLEN: Okay. I guess my next question is, C-49 is right in the middle of this, why do you think that it would be a better producer? Are there factors? Is the geology, the coal seams---?

RICK TOOTHMAN: Ma'am, you're asking (inaudible) and that was to the exhibit that kind of got struck and the point...the point that I'm trying to make, regardless of what unit you're looking at, whether it's a GeoMet operated

unit or CNX Gas operated unit, let's take all pride and authorship away from it, there are so many variables in the production of a coalbed methane well that it is absolutely impossible for you to predict exactly what kind of production rate you're getting at even if you know the thickness of the coal seams and the gas content of the seams because there are too many other variables that impact the production performance from that well. So, to put a reserve on an accurate forecast of reserve out there, you need to establish some production, of which, just like the five exhibits that GeoMet or the five graphs that were shown, they have established at least a year where they would have a track record. Now, I do believe that the reserves will be traumatically different on those five wells and you're no longer going to be talking averages. You're going to be able to talk more specifics of the range that you think you're going to get. That's why we present a range.

MARY QUILLEN: But you believe that this well be productive?

RICK TOOTHMAN: Which well are we speaking of?

MARY QUILLEN: C-49?

RICK TOOTHMAN: The one that's out here, yes, ma'am, I do. I certainly do.

MARY QUILLEN: Is there...and, again, this is...it

may not be a question that you can or would answer, is there one...being a Petroleum Geologist or Petroleum Engineer with twenty years of experience, is there one factor that would make you believe this is going to be the one that's going to, you know, do well? Is there something that---

RICK TOOTHMAN: If all things considered and knowing what I know across this field, if I had a good permeability number or numbers...keep in mind these are multiple seams, the permeability is going to vary according to each seam. But---.

MARY QUILLEN: How many seams are you---

RICK TOOTHMAN: In this particular case, without an exhibit sitting in front of me, I can't answer it. But it's not uncommon to see as many as fifteen to twenty-five coal seams. It could be more than that. I don't know. I mean---.

MARY QUILLEN: It could be in that range?

RICK TOOTHMAN: ---in both cases, I can tell you this it will definitely be more than one seam---.

MARY QUILLEN: Multiple seams.

RICK TOOTHMAN: ---and we've testified that generally we will do four stages and they will be multiple coals within the stage.

MARY QUILLEN: Right.

RICK TOOTHMAN: GeoMet will probably do six or seven stages. I don't know that exactly.

MARY QUILLEN: So, it increases the number of seams that you're going to frac?

RICK TOOTHMAN: Potentially it will. Within a given frac stage, you may get into all of the coal seams and then again you may not. One thing that two wells does for you is that it improves statistically your ability to get into multiple coal seams.

MARY QUILLEN: And the geology of this particular area of Buchanan County is favorable?

RICK TOOTHMAN: Yes, ma'am, it is. The gas contents and thickness are favorable for development.

MARY QUILLEN: Thank you. You've answered my questions.

BENNY WAMPLER: Other questions from members of the Board?

(No audible response.)

BENNY WAMPLER: We have before us an application from GeoMet for pooling of coalbed methane unit C-49 and we have a competing operator who has step forward to the table and you've heard the testimony. So, is there a motion?

DONNIE RATLIFF: I move that we approve the application as presented by GeoMet.

PEGGY BARBAR: I second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying
yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have unanimous approval.

Thank you. The next item on the agenda is a petition from GeoMet Operating Company for pooling coalbed methane unit B-49. This is docket number VGOB-06-1114-1781. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

TOM MULLINS: We're gathering our stuff, Mr.
Chairman.

BENNY WAMPLER: Board members, does anybody need a
break?

(No audible response.)

BENNY WAMPLER: Ms. Quillen, you just keep up of
when you need to leave and let me know. We'll get all of
you that we can get.

MARY QUILLEN: Well, no, I'm...my student is going
to drop off the exam here. So, he'll just knock on the door

and hand it to me.

BENNY WAMPLER: I thought somebody had to leave at 4:30.

DONNIE RATLIFF: At 5:00.

MARY QUILLEN: At 5:00...at 5:00 for me too.

BENNY WAMPLER: Okay. All right. If we can get a quorum, we're going to start at 8:30 in the morning. Get a little bit extra and get finished. But I doubt seriously that we can get through all the rest of the day, but we'll get all of it today that we can get. Everybody needs to play like I don't know who they are again.

TOM MULLINS: On behalf of GeoMet, my name is Tom Mullins. I represent GeoMet. I'm from the Street Law Firm in Grundy.

TIM SCOTT: Tim Scott with McKinnis & Scott representing GeoMet.

JEFF TAYLOR: Jeff Taylor with GeoMet Operating Company.

DON PATTON: Don Patton. I represent GeoMet Operating Company.

GEORGE MASON: George Mason representing LBR Holdings, LLC.

ERTIL WHITT: Ertel Whitt representing LBR Holdings, LLC.

TOM MULLINS: Mr. Chairman, I failed to introduce Pebbles Deel. She's a law student that has her third year practice certificate that works with our firm.

MARK SWARTZ: And Mark Swartz representing CNX as well.

BENNY WAMPLER: All right. Mr. Scott, you may proceed.

TIM SCOTT: Thank you, Mr. Chairman. As to Mr. Patton's employment, as to the lease terms that he would offer, I would ask that that be incorporated by reference from the prior hearing.

BENNY WAMPLER: That will be incorporated.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, remember you're under oath.

A. Yes, sir.

Q. Are you familiar with this application?

A. I am, sir.

Q. And how many acres are embraced by this

unit?

A. The application...the acreage embraced by this unit is 24.19.

Q. It is...it is on the state line?

A. Yes, sir, it is.

Q. What is the unit designation in the Oakwood Field?

A. The unit designation in the Oakwood Field is unit number D-49.

Q. Okay. And does GeoMet have drilling rights in this unit?

A. Yes, sir, it does.

Q. Are there any parties respondent to be dismissed from the application?

A. No, sir.

Q. And what percentage of the coal estate is under lease to GeoMet?

A. 87.13%.

Q. And the oil and gas estate?

A. 65.3475%.

Q. And how was notice of this hearing provided?

A. Via certified mail, return receipt requested and also by publication in the Bluefield Daily

Telegraph.

Q. Are there any unknown owners in this unit?

A. No, sir.

Q. And have you filed proofs of mailing and affidavit of publication with Mr. Wilson?

A. Yes, sir, we have.

Q. And is GeoMet authorized to conduct business in the Commonwealth?

A. Yes, sir, it is.

Q. Is there a bond on file with the Department?

A. Yes, there is.

Q. As to the actual reason we're here for the pooling, again, what...what percentage of the coal estate is under lease to GeoMet?

A. The coal estate under lease to GeoMet is 87.13%.

Q. And the oil and gas estate?

A. 65.6525%.

Q. And what percentage of the oil and gas estate are you seeking to pool?

A. 34.6525%.

Q. And the coal estate?

A. 12.87%.

Q. Now, do we have the Rogers' cousins in this unit?

A. Yes.

Q. Okay. So---?

A. You're speaking of the cousins, right?

Q. Yes, sir.

A. Yes, sir.

Q. So, escrow...there is an escrow requirement, is that correct?

A. Right, that is correct, sir.

Q. Now, as to the tracts that would be affected by the escrow, can you tell us what those percentages would be?

A. Yes, sir. There's two tracts affected about escrow in this particular proposed unit. It's Tract 1. It would be 21.1875%. Tract 3 would be 0.595%.

Q. Okay. And we have...as we indicated earlier, we have no unknown parties, is that right,---?

A. That is...that's is correct.

Q. ---or unlocateables?

A. That is correct, sir.

Q. Okay. Has an Exhibit E been submitted with the application?

A. Yes, sir.

Q. And you're requesting the Board to pool the
unleased party on Exhibit B-3?

A. Yes, sir, we are.

Q. Are you also requesting that GeoMet be
named operator?

A. Yes, sir, I am.

Q. And what address should be used for all
correspondence regarding the order and elections?

A. The correspondence should be sent to the
attention of Joseph L. Stevenson, Land Manager, GeoMet
Operating Company, Inc., 5336 Stadium Trace Parkway, Ste.
206, Birmingham, Alabama 35244.

TIM SCOTT: That's all the questions I have for
Mr. Patton.

BENNY WAMPLER: Any questions from members of the
Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: I'll save my remarks for the end.

BENNY WAMPLER: Okay.

GEORGE MASON: I have no questions.

BENNY WAMPLER: Mr. Mullins, do you have any...Mr.
Mullins, do you have anything further?

TOM MULLINS: No, sir.

TIM SCOTT: Call your next witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. All right, Mr. Taylor, you're familiar with the application, is that correct?

A. Yes.

Q. And what's the proposed depth for this well?

A. 2,467 feet.

Q. And what are the...what's the estimated production for this unit?

A. 973 million cubic feet.

Q. Are you also familiar with the well costs?

A. Yes. It's \$409,200.

Q. What about the dry hole costs?

A. \$178,750.

Q. Now, was this detail...this estimated well costs prepared at your direction?

A. Yes.

Q. Okay. It was signed by you and submitted to the Board?

A. Yes.

Q. Okay. I asked this before and I'll ask it again, does the estimated well costs include a reasonable charge for supervision?

A. Yes.

Q. Okay. In your opinion, would the granting of this application be in the best interest of conservation, the prevention of waste and the protection of correlative rights?

A. Yes.

TIM SCOTT: That's all the questions I have for Mr. Taylor.

BENNY WAMPLER: Questions from members of the Board of Mr. Taylor?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: Is he done?

BENNY WAMPLER: He's finished.

MARK SWARTZ: Okay. My position is that we are in favor of pooling the oil, would request that CNX be the app...the operator and I would request the opportunity to incorporate all of our testimony from the prior hearing since it would essentially be the same to facilitate a decision. But if you're not comfortable with that, you need to tell me.

BENNY WAMPLER: That will be incorporated. Do you have anything further?

TIM SCOTT: No, sir,

BENNY WAMPLER: Is there a motion?

DONNIE RATLIFF: I move to approve as presented.

BENNY WAMPLER: Is there a second?

PEGGY BARBAR: Second.

BENNY WAMPLER: Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval.

TIM SCOTT: Mr. Chairman, can I have about two minutes to get my boxes over here?

BENNY WAMPLER: Yes, sir.

TIM SCOTT: Thank you.

(Pause.)

TIM SCOTT: Mr. Chairman, I'm not able to transcribe. I've got a revised Exhibit B...well, I wasn't able to add and subtract correctly. So, this is my 50 and 29 equal a 100.

(Mr. Scott passes out a revised exhibit.)

BENNY WAMPLER: Okay. This is a petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit C-48, docket number VGOB-06-1114-1782. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

TIM SCOTT: Tim Scott for GeoMet.

JEFF TAYLOR: Jeff Taylor for GeoMet.

TOM MULLINS: Tom Mullins and Pebbles Deel for GeoMet.

DON PATTON: Don Patton for GeoMet.

GEORGE MASON: George Mason and Ertel Whitt for LBR Holdings, LLC.

MARK SWARTZ: Mark Swartz for CNX.

BENNY WAMPLER: You may proceed, Mr. Scott.

TIM SCOTT: I'll, again, ask the Board if we can incorporate by reference the job descriptions of both gentlemen, both of my witnesses, Mr. Taylor and Mr. Patton, as well as the lease terms that would be provided or offered to parties respondent.

BENNY WAMPLER: That will be incorporated.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, are you familiar with this application?

A. Yes, sir, I am.

Q. And how many acres are embraced by this unit?

A. 79.57 acres.

Q. And in the Oakwood Field the unit designation is what?

A. The Oakwood Field unit designation is C-48.

Q. Okay. And in this particular unit, does GeoMet have drilling rights?

A. Yes, sir, it does.

Q. Are there any parties respondent to be dismissed from the application?

A. No, sir, there's not.

Q. We'll talk about the...what we have under lease, as to the coal, what does GeoMet have under lease, the coal estate?

A. 27.41%.

Q. And oil and gas estate?

A. 20.5575%.

Q. And was notice of this hearing provided to the respondents listed on Exhibit B-3?

A. Yes, sir.

Q. And how was that affected?

A. Two ways, via certified mail, return receipt requested and also by publication in the Bluefield Daily Telegraph.

Q. Are there any unknown or unlocateable owners in this unit?

A. No, sir, there isn't.

Q. Okay. Have you filed proofs of mailing and affidavit of publication with Mr. Wilson?

A. Yes, sir. Yeah.

Q. Is GeoMet authorized to conduct business in the Commonwealth?

A. Yes, sir, it is.

Q. And is there a bond on file with the Department?

A. Yes, sir.

Q. As to the drilling rights, again, state what is the percentage of the coal estate under lease.

A. 27.41%.

Q. And as to the oil and gas estate?

A. 20.5575%.

Q. What percentage of the oil and gas estate are you seeking to pool?

A. 79.4425%.

Q. And the coal estate?

A. 72.59%.

Q. And we have the Rogers' Cousins here, is that correct?

A. Yes, sir, we did.

Q. And...so, therefore, we are going to require an escrow account?

A. That is correct, sir.

BENNY WAMPLER: Will you restate what you're wanting to pool in the gas estate?

A. Let's see---.

BENNY WAMPLER: Did you say 79?

TIM SCOTT: I'm sorry, it's 79.4425. Do you want him to respond again, Mr. Chairman?

BENNY WAMPLER: I don't know. I have to get bearings again. I'm sorry.

TIM SCOTT: Do you know what the problem is, we all...we consistently do a B, which nobody else does. So, the B-3 has the unleased parties. I'm sorry about that.

BENNY WAMPLER: I'm with you now. That's all right.

TIM SCOTT: It just an old dog who can't change my ways. I apologize.

BENNY WAMPLER: I'm with you. Go ahead.

Q. Okay. Again, I'd asked you about the Rogers' Cousins. They are in this unit, is that right?

A. Yes, sir, they are.

Q. So, we're going to require an escrow provision, is that right?

A. That is correct, sir.

Q. Now, as to...this is parties in conflict...the conflicting interest and not unknown parties, is that right?

A. Did we put the interest on this?

Q. It's conflicting and not unknown, is that right?

A. That's correct.

Q. Which tract would it involve the escrow?

A. Tract 1.

Q. And what's that percentage?

A. 6.8525%.

Q. And are you asking...have you submitted an Exhibit E to the application?

A. Yes, sir, we have.

Q. And you're requesting the Board to pool the

unleased parties on B-3?

A. Yes, sir, we are.

Q. Are you asking that GeoMet be named the operator?

A. Yes, sir, we are.

Q. And, again, what would be the address with regard to the order and any elections to be made by parties respondent?

A. Correspondence should be directed to Mr. Joseph L. Stevenson, Land Manager, GeoMet Operating Company, Inc., 5336 Stadium Trace Parkway, Ste. 206, Birmingham, Alabama 35244.

Q. Okay.

(Peggy Barbar walks out.)

BENNY WAMPLER: Okay. You need to stop.

TOM MULLINS: Can we take a break, Mr. Chairman?

BENNY WAMPLER: Yeah, let's take a five minute break.

(Break.)

BENNY WAMPLER: We're back on the record. You may proceed.

TIM SCOTT: That's all the questions I have for Mr. Patton. Any questions from the Board?

BENNY WAMPLER: Does Board members have any

questions of Mr. Patton?

(No audible response.)

BENNY WAMPLER: Call your next witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. All right. Mr. Taylor, you're familiar with this application, is that correct?

A. Yes, sir.

Q. And what's the targeted depth for this well?

A. 2,262 feet.

Q. And what are the...what's the estimated production for this well?

A. 1,029 million cubic feet.

Q. Okay. And you participated in the preparation of the estimated well costs, is that right?

A. Yes. This was done under my direction.

Q. Okay. And based on that document, what is the estimated completed well costs?

A. \$399,250.

Q. And the dry hole costs?

A. \$172,200.

Q. And we have a supervision charge line item, is that right?

A. Yes.

Q. Now, as to this particular unit if the application is granted, will we protect correlative rights, prevent waste and promote conservation?

A. Yes.

TIM SCOTT: That's all the questions I have for Mr. Taylor.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

GEORGE MASON: No questions.

BENNY WAMPLER: Do you have anything further?

TIM SCOTT: No, sir.

MARY QUILLEN: Mr...oh, Mark, where did he go?

GEORGE MASON: He's outside on his mobile phone.

BENNY WAMPLER: Did you have a question?

MARY QUILLEN: I do, but I'll wait until Mr. Swartz comes back in.

BENNY WAMPLER: There he is.

MARK SWARTZ: Are we starting again or are they done?

BENNY WAMPLER: They're finished putting on

testimony.

MARK SWARTZ: Okay. I had one question and a comment.

DONALD PATTON

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Mr. Plant, right? Is that your name?

TIM SCOTT: Patton.

A. Patton.

Q. I'm sorry.

A. I'm sorry, Mark, I can't hear you.

Q. Is it true that Pocahontas Mining has a 72.59% interest in this unit?

A. It appears to have, yes, sir.

Q. Okay. And is it true that CNX Gas has that interest leased?

A. It also appears to be that way, sir. Yes, sir.

MARK SWARTZ: That's all I have in the way of questions, Mr. Chairman. I would ask that the Board incorporate the testimony and exhibits and so forth from the first GeoMet hearing today into this one---.

BENNY WAMPLER: That will be incorporated.

MARK SWARTZ: ---in a matter of efficiency.

BENNY WAMPLER: That will be incorporated.

BENNY WAMPLER: Do you have questions?

MARY QUILLEN: Yes, Mr. Chairman. I guess, addressing what Mr. Swartz just said, I just wanted clarification that Pocahontas Mining has leased to CNX both the gas and the coal of the...is that correct---?

MARK SWARTZ: Les?

MARY QUILLEN: ---the 72.59?

LESLIE K. ARRINGTON: CNX Gas Company has a coalbed methane lease with Pocahontas Mining and our parent company has a coal lease with them. We have the consent to stimulate.

BENNY WAMPLER: And you are? Your name?

LESLIE K. ARRINGTON: Leslie Arrington, sorry, CNX.

MARY QUILLEN: I have a little bit of a problem with understanding when this company that has such a large portion of the lease leased to CNX how this will impact Pocahontas and what their feeling are some Pocahontas representatives are not here.

LESLIE K. ARRINGTON: We have that leased and it...and we have the consent to stimulate. So, from this point, I guess this unit will be held in limbo for two

years.

MARY QUILLEN: So, their expectation of Pocahontas is that CNX would operate the well?

LESLIE K. ARRINGTON: We would certainly like to be the operator, yes.

MARY QUILLEN: And as far as you know that's their expectation?

LESLIE K. ARRINGTON: I would think so, yes.

TIM SCOTT: I object. He doesn't know what their expectation is other than...we're talking about consent to stimulate again and it's not before the Board. The proper party was notified as the lessee of the CBM and certainly PMC had the...if CNX has notified them they could have appeared.

BENNY WAMPLER: Sustained. Les, do you agree that your testimony is under previous oath?

LESLIE K. ARRINGTON: Yes.

BENNY WAMPLER: Do you have any further questions?

MARY QUILLEN: No.

BENNY WAMPLER: Thank you. Other questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Do you have anything further, Mr. Scott?

TIM SCOTT: No, sir.

BENNY WAMPLER: Is there a motion?

DONNIE RATLIFF: I move to approve, Mr. Chairman.

BENNY WAMPLER: Is there a second?

PEGGY BARBAR: I second.

BENNY WAMPLER: And second. Any further
discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying
yes.

(All Board members signify by saying yes, but Mary
Quillen.)

BENNY WAMPLER: Opposed, say no.

MARY QUILLEN: No.

BENNY WAMPLER: Ms. Quillen is no. You have
approval.

TIM SCOTT: Thank you.

BENNY WAMPLER: Next is a petition from GeoMet
Operating Company, Inc. for pooling of coalbed methane unit
D-46. This is docket number VGOB-06-1114-1783. We'd ask
the parties that wish to address the Board in this matter to
come forward at this time.

TIM SCOTT: Tim Scott for GeoMet.

JEFF TAYLOR: Jeff Taylor for GeoMet.

TOM MULLINS: Tom Mullins and Pebbles Deel for GeoMet.

DON PATTON: Don Patton representing GeoMet.

GEORGE MASON: George Mason representing LBR Holdings, LLC.

ERTIL WHITT: Ertel Whitt, LBR Holdings, LLC.

MARK SWARTZ: And Mark Swartz for CNX.

LESLIE K. ARRINGTON: Les Arrington with CNX.

BENNY WAMPLER: You may proceed, Mr. Scott.

TIM SCOTT: Thank you. As for this unit, again, I'd ask the testimony regarding job description and lease terms be incorporated by reference.

BENNY WAMPLER: That will be incorporated.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, are you familiar with this application?

A. Yes, sir, I am.

Q. And how many acres does this unit embrace?

A. 80 acres.

Q. And what's the unit designation?

A. The unit designation is D-46 in the Oakwood

Field I.

Q. Okay. Does GeoMet have drilling rights in this unit?

A. Yes, sir, it does.

Q. And are there any respondents that should be dismissed from this application?

A. No, sir, there isn't.

Q. What...what percentage of this unit does GeoMet have under lease as with regard to the coal?

A. As to the coal 15.7%.

Q. And the oil and gas?

A. 13.7375%.

Q. How was notice affected on this application?

A. There's two methods, sir. The first was a letter via certified, return receipt requested and the other was publication in the Bluefield Daily Telegraph.

Q. Okay. Are there any unknown or unlocateable parties in this unit?

A. Yes, sir, there are.

Q. Okay. What kind of efforts did you make to locate those unlocateables?

A. Basically, initial contact was made by my mail and then by telephone and conversations with several of

the relatives and co-owners of the interest.

Q. Was that in an attempt to lease their interest?

A. I'm sorry, sir?

Q. Was that in an attempt to lease their interest?

A. Yes, sir, it was.

Q. Okay. As to this unit, have you filed mailing certifications and affidavits of publication or affidavit of publication with Mr. Wilson?

A. Yes.

Q. Okay. Is GeoMet authorized to conduct business in the Commonwealth?

A. Yes, sir, it is.

Q. And does it have a bond on file with the Department?

A. Yes, sir, it does.

Q. As to the percentages, go back to that right now---?

A. Uh-huh, okay.

Q. ---as to the coal estate, what does GeoMet have under lease?

A. Again, they have 15.7% of the coal estate under lease.

Q. And the oil and gas estate?

A. 13.7375.

Q. What's the percentage of the oil and gas estate sought to pool?

A. 86.2625.

Q. And the coal estate?

A. 84.3.

Q. Okay. Now, as to this particular unit, is there an escrow required?

A. Yes, sir, there will be.

Q. As to parties whose interest are in conflict, which tract or tracts are involved?

A. Tract Number 1, sir.

Q. And what's the percentage?

A. 1.9625 and that, of course, is the Rogers' Cousins.

Q. As to the unknown or unlocateable parties, what tract is involved?

A. Tract Number 2.

Q. And what's that percentages?

A. The percentage is .006666%.

Q. And has an Exhibit E been provided with the application that sets forth those interest?

A. Yes, sir it has.

Q. Okay. Are you requesting the Board to pool the unleased parties listed on Exhibit B-3?

A. Yes, sir, we are.

Q. And GeoMet be named as operator of this unit?

A. Yes, sir, I am.

Q. As to correspondence, what address should be used for elections and for use in the Board order?

A. To the attention of Joseph L. Stevenson as land manager, GeoMet Operating Company, Inc., 5336 Stadium Tract Parkway, Ste. 206, Birmingham, Alabama 35244.

TIM SCOTT: Okay. That's all the questions I have for Mr. Patton.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Mr. Patton---

A. Yes, sir.

Q. ---again, Pocahontas Mining has a considerable interest in this unit, correct?

A. Yes, sir.

Q. And if I'm not mistaken, it is, I thought I had it, 84.16% of the unit?

A. Right now, I've got 86.2625.

Q. I'm sorry, what?

A. I have on my notes here 86.2625.

Q. Okay. So, you're notes indicate that PMC has 86---?

A. Oh, I'm sorry. I'm sorry, it is. It's 84.3, Mark. I'm sorry.

Q. Okay. So, Pocahontas Mining has an 84.16% interest in the coalbed methane in this unit, correct?

A. 84...of the coal estate, I have 84.3% of the coal estate.

Q. And I'm looking at the oil and gas interest.

A. Okay. Hang on just a second here. Give me your number again, Mark.

Q. I keep coming up with 84.16, but...I mean, we're close.

A. Yeah. My numbers differ, I guess.

Q. Okay. And you've got 83.05 or what? Here, let me withdraw that. Would you agree with me that PMC has an interest in the coalbed methane exceeding 80% in this

unit?

A. Correct. Yes, sir.

Q. Okay. And would you agree with me that PMC has leased that interest to CNX?

A. That's my understanding, yes, sir.

Q. Would you take a moment and find your unit plat for me in your packet, if you would?

A. Okay. All right, sir.

Q. Normally, the well would have that little cross marked X that's down in the legend part. Do you see where my finger is at the bottom there? Normally, a well would be expected to show that little symbol.

A. Okay.

Q. Okay. And that's not here is it?

A. I didn't do the survey and I did not prepare the plat.

Q. Okay.

A. So, I'm not qualified to answer that question.

Q. Will you agree with me that from this plat, we can't tell if the well location is a surveyed location?

A. Oh, I would disagree with that.

Q. You can tell?

A. Well, no, I mean, you're asking me if I

would agree with you on this that and the answer to that is no. We have a signed survey right here. So, to say that's not a surveyed location, I'm not going to say that.

Q. Okay. Is this...is this plat tied into the state plane coordinate as far as you can see?

A. As far as I can see. Well, it appears to be, yes, sir.

Q. Okay. And that...that is indicated by what?

A. Well, if I'm looking at the lat and long on that up in the upper right hand corner.

Q. And that's what you take to tie it to the state plane coordinate?

A. I'm sorry, sir.

Q. And that's the reference that you would take to tie it to the state plane coordinates?

A. Well, again, I'm not a surveyor, Mark. So, again, I'm not necessarily prepared or qualified to answer that question.

MARK SWARTZ: That's all I have of this witness.

REDIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, I want to ask you a couple of

questions about the ownership on here.

A. Yes, sir.

Q. As Mr. Swartz asked you, we do have Pocahontas Mining has a significant...has an interest in this unit, is that correct?

A. Yes, sir, that is correct.

Q. Is there a tract that's included in this unit in which Pocahontas Mining doesn't have a 100% of the unit?

A. That is correct.

Q. And who are those individuals called typically?

A. Typically, those are known as the Day Heirs.

Q. Okay. Is that the Hobart Heirs?

A. The Hobart Day Heirs.

Q. Okay. So, when Mr. Swartz asked you what the percentage is there's an undivided interest in part of that tract as well as whatever interest---

A. Tract Number 2, yes, sir.

Q. Okay, okay. I just wanted to clarify that.

BENNY WAMPLER: Any...any other questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Call your next witness.

TIM SCOTT: Okay.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Taylor, you participated in preparing this application, is that right?

A. Yes, by my direction.

Q. Okay. And what's the proposed well depth?

A. 2,640.

Q. And the estimated production?

A. 1,096 million cubic feet.

Q. And did you also participate in the preparation of the estimated well costs?

A. Yes.

Q. And was that done at your direction?

A. Yes.

Q. Okay. What's the estimated completed well costs?

A. \$420,275.

Q. And the dry hole costs?

A. \$183,750.

Q. Does this estimated well costs include a reasonable charge for supervision?

A. Yes, it does.

Q. And in your opinion would...if this application is granted, would we promote conservation, prevent waste and protect correlative rights?

A. Yes, we would.

TIM SCOTT: That's all I have for Mr. Taylor.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: I would like to incorporate the testimony and argument from the first hearing. Again, we don't object to pooling the unit, but we would object to appointing GeoMet as operating and we would prefer that it be CNX. I would indicate that some of the exhibits that I gave you in the prior hearing actually pertain to this and...Exhibit C sets forth the percentage interest that...on the remapping that CNX believes it has in this unit, which is reported on that chart and does exceed the 80% that we apparently have that represents the mineral. That's all I have.

BENNY WAMPLER: Your prior argument will be incorporated.

MARK SWARTZ: Thank you.

BENNY WAMPLER: Where is the well location? Is that down---?

TIM SCOTT: Yes, sir.

JEFF TAYLOR: Yeah, this circle.

BENNY WAMPLER: Inside the window?

TIM SCOTT: Yes, sir.

BENNY WAMPLER: Other questions from members of the Board?

MARY QUILLEN: Mr. Chair. That's located in Tract 5?

JEFF TAYLOR: 1, I believe.

BENNY WAMPLER: 1, I believe.

TIM SCOTT: Tract 1.

DON PATTON: Tract 1.

BENNY WAMPLER: Do you see?

MARY QUILLEN: Yeah, I see it now.

BENNY WAMPLER: Okay.

MARY QUILLEN: I see the line down through there.

BENNY WAMPLER: Okay.

MARY QUILLEN: You can barely read it.

BENNY WAMPLER: Other questions?

(No audible response.)

BENNY WAMPLER: Do you have anything further?

TIM SCOTT: Yes, sir. I'd like to say one thing.

Just as a follow up because questions and comments are continually being presented to the Board. Certainly, in a conventional oil and gas pooling situation, we have percentage thresholds that are required. Under the statute, any owner can bring an application. We're an owner and we brought the application. So, we believe we're the better operator and that's why we're here. So, notwithstanding what has been said about the percentages, we do have standing before the Board and we certainly believe that we're more than capable of developing this unit.

TOM MULLINS: Mr. Chairman, PMC---.

MARK SWARTZ: I'm going to object to the double teaming. I mean, they need to pick one lawyer.

BENNY WAMPLER: Overruled. I've been pretty liberal of hearing everybody and I'm going to continue to do that.

TOM MULLINS: Just for a matter of reference, PMC has actually sued CNX over this very lease, it's my understanding. So, the representation...for the question about what would PMC's preferences would be, I know there's a suit pending in the Circuit Court of Buchanan County

because I'm counsel for one of the parties where PMC has sued CNX.

BENNY WAMPLER: Mr. Mason, do you have anything?

GEORGE MASON: No comment, sir.

LESLIE K. ARRINGTON

DIRECT EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Mr. Arrington, in response to that representation, do you have any awareness, you need to step up by the microphone, of any lawsuit between PMC and CNX?

A. Yes, I do.

Q. Does it...what does it pertain to?

A. It does not pertain to any of this...anything to deal with our coalbed methane production.

MARK SWARTZ: That's all I have.

TOM MULLINS: If we need to elaborate, I'll be happy to explain what it pertains to and what the area of controversy is, if that's...because I think it may involve--
-.

BENNY WAMPLER: I don't think...I don't think it has relevance here.

DONNIE RATLIFF: I move to approve, Mr. Chairman.

BENNY WAMPLER: Motion to approve. Is there a

second?

PEGGY BARBAR: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying
yes.

(All Board members signify by saying yes, but Mary
Quillen.)

BENNY WAMPLER: Opposed, say no.

MARY QUILLEN: No.

BENNY WAMPLER: You have approval.

TIM SCOTT: Thank you.

BENNY WAMPLER: Next is a petition from GeoMet
Operating Company for pooling of coalbed methane unit E-46,
docket number VGOB-06-1114-1784. We'd ask the parties that
wish to address the Board in this matter to come forward at
this time.

TIM SCOTT: Tim Scott for GeoMet.

JEFF TAYLOR: Jeff Taylor for GeoMet.

TOM MULLINS: Tom Mullins and Pebbles Deel for
GeoMet.

DON PATTON: Don Patton representing GeoMet.

GEORGE MASON: George Mason representing LBR
Holdings, LLC.

ERTIL WHITT: Ertil Whitt, LBR Holdings, LLC.

MARK SWARTZ: Mark Swartz and Les Arrington on behalf of CNX.

BENNY WAMPLER: You may proceed, Mr. Scott.

TIM SCOTT: Thank you. As to, I'll make it even bigger this time, the jobs that these gentlemen have, Mr. Taylor and Mr. Patton, as to the lease terms, authorization to conduct business in the Commonwealth, as well as the bond on file, I'd ask that be incorporated by reference.

BENNY WAMPLER: That will be incorporated.

TIM SCOTT: Okay. Pretty soon, I'm just going to say hello.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Okay. Mr. Patton, are you familiar with this application?

A. Yes, sir, I am.

Q. And how many acres are embraced by this unit?

A. 80 acres, sir.

Q. And is it located in the Oakwood Field?

A. Yes, sir, it is.

Q. And what's the unit designation?

A. The unit designation is E-46.

Q. Does GeoMet have drilling rights in this unit?

A. Yes, sir, it does.

Q. And are there any parties respondent to be dismissed from this application?

A. No, sir, there is not.

Q. As to the coal estate, what percentage of the unit does GeoMet have under lease?

A. 32.87%.

Q. And the oil and gas estate?

A. 28.76125.

Q. How was notice affected for this hearing date?

A. Notice was affected by two methods. One by certified letter, return receipt requested and the other was publication in the Bluefield Daily Telegraph.

Q. Do we have any unknown or unlocateables parties in this unit?

A. No, sir, we don't.

Q. Okay. Have you filed proofs of publication and mailing with Mr. Wilson?

A. Yes, sir, we have.

Q. As to the percentages under lease and sought to be pooled, what is...what's the percentage of the coal estate that's under lease to GeoMet?

A. 32.87%.

Q. And the oil and gas estate?

A. 28.76125.

Q. And what percentage of the oil and gas estate are you seeking to pool?

A. 71.23875.

Q. And the coal estate?

A. 67.13.

Q. Do we need an escrow requirement for this?

A. Yes, sir, we do.

Q. Okay. Is it as a result of conflicts in ownership?

A. Yes, sir, it is.

Q. Which tract is affected, please?

A. Tract Number 1. Again, that's the Rogers' Cousins as we've termed them previously. The interest that we have is 4.10875%.

Q. As an Exhibit E been submitted with the application?

A. Yes, sir.

Q. Okay. Are you requesting the Board to pool

the unleased parties listed on Exhibit B-3?

A. Yes, sir, we are.

Q. And are you asking that GeoMet be named as the operator?

A. Yes, sir, we are.

Q. And what address should be used for all correspondence regarding any order or elections?

A. Correspondence or elections should be directed to Joseph L. Stevenson as Land Manager, GeoMet Operating Company, Inc., 5336 Stadium Trace Parkway, Ste. 206, Birmingham, Alabama 35244.

TIM SCOTT: And that's all the questions I have for Mr. Patton.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Mr. Patton, PMC---?

A. Yes.

Q. ---has a 67.13% interest in the coalbed methane in this unit, right?

A. Yes, sir.

Q. And CNX has that leased?

A. That's my understanding, yes, sir.

MARK SWARTZ: Nothing further.

BENNY WAMPLER: Call your next witness.

TIM SCOTT: Okay.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Mr. Taylor, are you familiar with this application?

A. Yes.

Q. Okay. What's the proposed depth of this well?

A. 2,290 feet.

Q. And what is the estimated production?

A. 1,096 million cubic feet.

Q. And did you also assist in the preparation of the estimated well costs?

A. Yes.

Q. Was that done under your supervision?

A. Yes, it was.

Q. As to the well costs, what is the estimated

completed well costs?

A. \$400,100.

Q. And the dry hole costs?

A. \$167,250.

Q. Was that estimated well costs included with our application?

A. Yes.

Q. Okay. Is there a reasonable charge for supervision included in that well cost?

A. Yes.

Q. In your opinion, would the granting of this application be in the best interest of conservation, the protection of correlative rights and interest in conservation?

A. It would.

TIM SCOTT: Okay. That's all I have.

BENNY WAMPLER: Questions from members of the Board of this witness?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: I would like to incorporate, if we're done, the record that I made in the first hearing and--.

BENNY WAMPLER: That will be incorporated.

MARK SWARTZ: ---I have the same position here. Go ahead and approve the pooling with our blessing, but we would prefer that CNX be the designated operator for the reasons that we've previously argued.

BENNY WAMPLER: Mr. Mason?

GEORGE MASON: My only comment is that LBR Holdings, LLC is in complete support of their petition for force pooling and that GeoMet be designated as the operator.

BENNY WAMPLER: Other questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Is there a motion?

DONNIE RATLIFF: Motion to approve, Mr. Chairman.

PEGGY BARBAR: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes, but Mary Quillen.)

BENNY WAMPLER: Opposed, say no.

MARY QUILLEN: No.

BENNY WAMPLER: One no. You have approval. The next item is a petition from GeoMet Operating Company, Inc.

for pooling of coalbed methane unit E-45. This is docket number VGOB-06-1114-1785. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

JEFF TAYLOR: Jeff Taylor with GeoMet.

DON PATTON: Don Patton with GeoMet.

TIM SCOTT: Tim Scott with GeoMet.

PEBBLES DEEL: Tom Mullins and Pebbles Deel for GeoMet.

GEORGE MASON: George Mason representing LBR Holdings, LLC.

ERTIL WHITT: Ertel Whitt, LBR Holdings.

MARK SWARTZ: Mark Swartz and Les Arrington on behalf of CNX.

BENNY WAMPLER: Thank you. You may proceed, Mr. Scott.

TIM SCOTT: Thank you. I'm going to ask that the testimony regarding job descriptions for Mr. Taylor and Mr. Patton, lease terms and the authority to conduct business in the Commonwealth, as well as the bond testimony be incorporated for this---.

BENNY WAMPLER: That will be incorporated.

TIM SCOTT: Thank you.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, are you familiar with GeoMet's application?

A. Yes, sir, I am.

Q. And how many acres are in this unit?

A. 80 acres, sir.

Q. Is it in the Oakwood Field?

A. Yes, sir, it is.

Q. And what's the unit designation?

A. The unit designation is E-45.

Q. Does GeoMet have drilling rights in this unit?

A. Yes, sir, it does.

Q. And are there any parties respondent to be dismissed from the application?

A. No, sir.

Q. As to the percentages of leasehold, what percentage of the coal estate does GeoMet have under lease?

A. Under the coal estate 50.25%.

Q. And the oil and gas estate?

A. 43.96875%.

Q. Okay. How was notice affected on...for

this hearing?

A. By two methods, sir. The first is by letter via certified mail, return receipt requested and the other was by publication in the Bluefield Daily Telegraph.

Q. Okay. There are unknown and unlocateables in this unit, is that correct?

A. That is correct, sir.

Q. What efforts did you make to try to locate these parties?

A. Basically, by letter, by telephone, by conversation with them not only regarding certain of their interest, but also some unlocateable relatives.

Q. Okay. Have you filed proofs of mailing and affidavit of publication with Mr. Wilson?

A. Yes, sir, we have.

Q. Now, as to the percentages that we spoke of earlier, the percentage of the coal estate that GeoMet has under lease is what percent?

A. 50.25%.

Q. And the oil and gas estate?

A. 43.96875.

Q. And what percentage of the oil and gas estate is GeoMet seeking to pool?

A. 56.03125%.

Q. And the coal estate?

A. 49.75.

Q. Do...is there an escrow requirement as to conflicting interests?

A. Yes, sir, there is.

Q. And what...what tracts are involved with that?

A. Particularly Tract Number 1, again, the Rogers' Cousins. That percentage of interest is 6.28125.

Q. Now, we said earlier that we have unknown parties, is that correct?

A. That is correct, sir.

Q. And we're going to require escrow for that as well?

A. That is correct, sir.

Q. And what tract is involved as far as unknown or unlocateable parties?

A. That's Tract Number 4, sir.

Q. And what is the percentage?

A. .000159%.

Q. Okay. Is that reflected on Exhibit E, which was filed with the application?

A. Yes, sir, it is.

Q. Okay. And you're requesting the Board to

pool the unleased parties listed on Exhibit B-3?

A. Yes, sir, we are.

Q. Are you asking that GeoMet be named...
designated as the operator?

A. That is correct, sir.

Q. And as far as the address and
correspondence with regard to any order or elections, where
should that be?

A. That should be directed to the attention of
Joseph L. Stevenson as land manager, GeoMet Operating
Company, Inc., 5336 Stadium Trace Parkway, Ste. 206,
Birmingham, Alabama 35244.

TIM SCOTT: That's all the questions I have for
Mr. Patton.

BENNY WAMPLER: Questions from members of the
Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Mr. Patton---?

A. Yes, sir.

Q. ---PMC has a lease of coalbed methane from

the coal, oil and gas owner of 49.74%, correct?

A. I have 49...let's see. Just a minute, Mark.

Q. I'm adding the numbers on two of seven.

A. Two of seven. I have some pages out of order on this copy. Here we go.

Q. I've added---

A. Again, state your question, please.

Q. Okay. I've...is it...well, first of all, I've added 47.02 and 2.72 and I've concluded that Pocahontas Mining has 49.74% of the coalbed methane interest in this unit.

A. Okay.

Q. Would you agree to that?

A. Well, it looks like...did you add Tract 4 into that also?

MARY QUILLEN: No.

Q. No, I did not. So, it would be even more than that, okay?

A. Yeah. Well, a .006667%.

Q. Okay. So, roughly, 49 point...maybe .75?

A. If you're using---

Q. If we rounded it?

A. Right.

Q. And the PMC owns the coal, oil and gas estate, correct?

A. That's my assumption, yes, sir.

Q. So, a coalbed methane lessee of PMC would get both sides of the claims?

A. Well, again, you're asking me to interpret law here.

Q. Well, but you know that. That's why you take two leases, right?

A. In some occasions, yes.

Q. Okay. And if the same person owns the coal, oil and gas, you only need to take one lease?

A. I'm sorry, sir.

Q. If the same person or company owns the coal, oil and gas estates, you would just take one coalbed methane---?

A. Historically, that's been the request of my clients, yes, sir.

Q. And the request of your clients, historically, probably is if somebody owns the coal, but somebody else owns the oil and gas, the request is typically, well, you'd better get two leases?

A. If that is...if that is clarified, yes, sir.

Q. Okay. And who is the lessee of PMC here?

A. Well, you've asked me that question before, so I would defer to that, it appears to be CNX.

Q. And it's actually stated in your application?

A. Right, uh-huh.

MARK SWARTZ: That's all I have.

BENNY WAMPLER: Call your next witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Taylor, are you familiar with this application?

A. Yes, sir.

Q. And what's the proposed depth of this well?

A. 2,470 feet.

Q. And what's the estimated production for this unit?

A. 1,091 million cubic feet.

Q. Did you also assist or at your direction prepare an estimated well costs?

A. Yes, sir.

Q. And that was signed and submitted to the

Board with the application, is that right?

A. Yes, sir.

Q. Okay. What is the estimated completed well costs?

A. \$415,275.

Q. And what's the dry hole costs...estimated dry hole costs?

A. \$178,750.

Q. Does this estimated well costs include a supervision charge?

A. Yes, it does.

Q. In your opinion, would the granting of this application be in the best interest of conservation, the protection of correlative of rights and prevent waste?

A. Yes, it would.

TIM SCOTT: That's all I have, Mr. Chairman.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: I would just move to incorporate our testimony and argument and exhibits from the first hearing with regard to not having an objection to the pooling of the unit, but having an objection to GeoMet being the operator.

BENNY WAMPLER: That will be incorporated. Other questions or comments from the Board?

(No audible response.)

BENNY WAMPLER: Do you have anything further, Mr. Scott?

TIM SCOTT: No, sir. No, sir.

BENNY WAMPLER: Is there a motion?

DONNIE RATLIFF: Mr. Mason hasn't spoke.

BENNY WAMPLER: I'm sorry...I'm sorry?

GEORGE MASON: My only comment on behalf of LBR Holdings, that they approve and support the petition of GeoMet to be...to force pool this unit and to be the operator. Thank you.

BENNY WAMPLER: Is there a motion?

DONNIE RATLIFF: I move to approve.

BENNY WAMPLER: Motion to approve.

PEGGY BARBAR: I second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval. Next is a petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit F-45, docket number VGOB-06-1114-1786. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

JEFF TAYLOR: Jeff Taylor with GeoMet.

TOM MULLINS: Tom Mullins and Pebbles Deel, the Street Law Firm, for GeoMet.

TIM SCOTT: Tim Scott for GeoMet.

DONNIE RATLIFF: Don Patton for GeoMet.

GEORGE MASON: George Mason representing LBR Holdings, LLC.

ERTIL WHITT: Ertel Whitt, LBR Holdings, LLC.

MARK SWARTZ: Mark Swartz and Les Arrington on behalf of CNX.

BENNY WAMPLER: Thank you. You may proceed, Mr. Scott.

TIM SCOTT: Thank you. Okay, Mr. Chairman, again, we'd ask that prior testimony regarding job descriptions, lease terms, the authorization to conduct business in the Commonwealth as well as the bond on file be incorporated.

BENNY WAMPLER: That will be incorporated.

TIM SCOTT: Thank you, sir.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, are you familiar with this application?

A. Yes, sir, I am.

Q. And how many acres are embraced by this unit?

A. 80 acres, sir.

Q. And what is...is it located in the Oakwood Field?

A. Yes, sir, it is.

Q. And that's the unit designation?

A. F-45.

Q. Does GeoMet have drilling rights in this unit?

A. Yes, sir, I does.

Q. Are we going to dismiss any parties respondent today?

A. No, sir.

Q. As to the coal estate, what percentage of that estate does GeoMet have under lease?

A. GeoMet has 64.98%.

Q. And the oil and gas?

A. 56.8575%.

Q. How was notice affected that this hearing would happen today?

A. By two methods, sir. First was by certified letter with return receipt requested and the other was by publication in the Bluefield Daily Telegraph.

Q. Do we have any unknown or unlocateable owners in this unit?

A. No, sir, we don't.

Q. Have you filed proofs of mailing, as well as affidavit of publication with Mr. Wilson?

A. Yes, sir, we have.

Q. Now, you've indicated earlier what the coal, oil and gas estates are. What is the percentage of the coal estate under lease to GeoMet?

A. 64.98%.

Q. And the oil and gas estate?

A. 56.8575%.

Q. What percentage of the oil and gas estate are you seeking to pool?

A. 43.1425%.

Q. And the coal estate?

A. 34...excuse me, 35.02%.

Q. Are the Rogers' Cousins in this unit?

A. Yes, sir, they are.

Q. So, therefore, we would need...we have an escrow requirement, is that right---?

A. That is correct, sir.

Q. ---because we have a conflict, is that correct?

A. That's correct.

Q. As...which tract is affected by the escrow?

A. Tract Number One.

Q. And what's that percentage?

A. 8.1225%.

Q. Has an Exhibit B been submitted with the application?

A. Yes, sir.

Q. And are you requesting the Board to pool the unleased parties listed on Exhibit B-3?

A. That is correct, sir.

Q. Is...are you requesting that GeoMet be named as the operator?

A. Yes, sir, I am.

Q. And as to correspondence regarding elections or this order, what address should be used and to whose attention?

A. It should be sent to the attention of

Joseph L. Stevenson as Land Manager, GeoMet Operating Company, Inc., 5336 Stadium Trace Parkway, Ste. 206, Birmingham, Alabama 35244.

TIM SCOTT: That's all the questions I have for Mr. Patton.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, Pocahontas Mining has a 35.02% interest in this unit?

A. That's my understanding, yes, sir.

Q. And, again, they own the coal, oil and gas?

A. That's my understanding, yes, sir.

Q. And, again, CNX has a lease of that interest?

A. It's my...yes, it's my understanding.

Q. Thank you.

A. Yes, sir.

BENNY WAMPLER: Call your next witness.

TIM SCOTT: Okay.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Taylor, are you familiar with this application?

A. Yes, sir.

Q. And as to the target depth for this well, what would that be?

A. 2,251 feet.

Q. And the estimated production?

A. 1,116 million cubic feet.

Q. Now, did you assist in the preparation of the estimated well costs exhibit, which is attached to the application?

A. Yes, it was done under my direction.

Q. Okay. And you signed that, is that correct---

A. Yes, sir.

Q. ---and it was submitted to the Board? What's the estimated completed well costs for this unit?

A. \$398,400.

Q. And the dry hole costs?

A. \$168,850.

Q. Is there a reasonable charge for

supervision on this

A. Yes, there is.

Q. Okay. In your opinion, would the granting of this application promote conservation, prevent waste and protect correlative rights?

A. Yes, it would.

TIM SCOTT: That's all the questions I have for Mr. Taylor.

BENNY WAMPLER: Questions from members of the Board of Mr. Taylor?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: I need to incorporate the same request, that the application be approved and that the operator be changed.

BENNY WAMPLER: That will be incorporated. Mr. Mason?

GEORGE MASON: LBR Holdings, LLC is in support of the application for pooling by GeoMet Operating and also that they be designated as the operator. Thank you.

BENNY WAMPLER: Do you have anything further, Mr. Scott?

TIM SCOTT: No, sir. I'd just ask that the application be approved.

BENNY WAMPLER: Is there a motion?

DONNIE RATLIFF: I move to approve, Mr. Chairman.

BENNY WAMPLER: Motion to approve. Is there a
second?

PEGGY BARBAR: Second.

BENNY WAMPLER: Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying
yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval.

TIM SCOTT: Thank you.

BENNY WAMPLER: Next is a petition from GeoMet
Operating Company, Inc. for pooling of coalbed methane unit
G-45. This is docket number VGOB-06-1114-1787. We'd ask
the parties that wish to address the Board in this matter to
come forward at this time.

JEFF TAYLOR: Jeff Taylor with GeoMet.

TOM MULLINS: Tom Mullins and Pebbles Deel with
the Street Law Firm on behalf of GeoMet.

TIM SCOTT: Tim Scott with GeoMet.

DON PATTON: Don Patton with GeoMet.

GEORGE MASON: George Mason representing LBR Holdings, LLC.

ERTIL WHITT: Ertel Whitt, LBR Holdings.

MARK SWARTZ: Mark Swartz and Les Arrington on behalf of CNX.

BENNY WAMPLER: You may proceed, Mr. Scott.

TIM SCOTT: Thank you. As to testimony regarding employment, job description, lease terms, the authorization to conduct business in the Commonwealth, as well as the bond on file and as to the address that all correspondence should be sent, we'd ask that be incorporated.

BENNY WAMPLER: That will be incorporated.

TIM SCOTT: I'm getting leaner here.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Okay. All right. Mr. Patton, are you familiar with this application?

A. Yes, sir, I am.

Q. How many acres are in this unit?

A. 80 acres, sir.

Q. And what's the unit designation in the Oakwood Field?

A. G-45.

Q. Does GeoMet have drilling rights in this unit?

A. Yes, sir, it does.

Q. Are there any respondents to be dismissed from the application?

A. No, there is not.

Q. As to the percentage that's under lease, what percentage of the coal estate does GeoMet have under lease?

A. 14.7%.

Q. And the oil and gas estate?

A. 12.8625%.

Q. How as notice provided that this hearing was going to happen today?

A. By two methods, sir. First was by a certified letter, return receipt requested and also by publication in the Bluefield Daily Telegraph.

Q. Now, are those proofs of publication been provided to Mr. Wilson?

A. Yes, sir, they have been provided to Mr. Wilson.

Q. Are there any unknown or unlocateable owners in this unit?

A. No, sir, there's not.

Q. As to the percentages, again we'll get back to that. Again, what is the percentage of the coal estate under lease?

A. 14.7%.

Q. The oil and gas estate?

A. 12.8625%.

Q. And what percentage of the oil and gas estate are you...is GeoMet seeking to pool?

A. 87.1375%.

Q. And the coal estate?

A. 85.3%.

Q. Do we have an escrow requirement for this unit?

A. Yes, sir, we will.

Q. Is that a result of the conflict involving the Rogers' Cousins?

A. Yes, sir, it is.

Q. What tract is involved in that conflict?

A. Tract Number 1.

Q. And what's the percentage in dispute?

A. The percentage in conflict is 1.8375%.

Q. Again, we don't have an escrow requirement as to unknown or unlocateables, is that right?

A. No, sir. That is correct.

Q. And the Exhibit E reflecting this information has been submitted with the application?

A. That is correct, sir.

Q. Are you requesting the Board to pool the unleased parties listed on Exhibit B-3?

A. Yes, sir.

Q. And that GeoMet be named operator?

A. That is correct, sir.

TIM SCOTT: That's all I have for Mr. Patton.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Pocahontas Mining has 85.30% of the claims to coalbed methane in this unit on behalf of the coal, oil and gas, right?

A. That's my understanding, sir.

Q. And CNX has those under lease?

A. It's, again, my understanding, sir.

MARK SWARTZ: That's all I have.

BENNY WAMPLER: Thank you. Call your next witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Mr. Taylor, are you familiar with this application?

A. Yes, I am.

Q. And what's the proposed depth of this well?

A. 2,122 feet.

Q. And what about the production...your proposed production...your estimated production?

A. 1,219 million cubic feet.

Q. Did you participate in the preparation of the estimated well costs?

A. Yes, under my direction.

BENNY WAMPLER: Excuse me, let me ask you...tell me the production again...estimated production.

A. 1,219 million cubic feet.

BENNY WAMPLER: Thank you.

A. 1219.

BENNY WAMPLER: I gotcha. Go ahead.

Q. Thank you. As to the costs reflected on

the well costs, what is the completed...estimated completed well costs?

A. \$391,300.

Q. And the dry hole costs?

A. \$164,250.

Q. Did you sign the estimated well costs that was submitted as an exhibit?

A. Yes.

Q. Does the estimated well costs include a supervision charge?

A. Yes, it does.

Q. Okay. In your opinion, would the granting of this application promote conservation, prevent waste and protect correlative rights?

A. Yes, it would.

TIM SCOTT: That's all I have for Mr. Taylor.

BENNY WAMPLER: Is this inside the drilling window?

TIM SCOTT: Let's see---.

DON PATTON: Are you asking me, sir?

BENNY WAMPLER: Whoever can speak to the location plat?

DON PATTON: Yes, sir...yes, sir, it is.

BENNY WAMPLER: Okay. Do you have anything

further?

TIM SCOTT: No, sir.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: The same motion to incorporate the same position, the pooling application is fine, but the operator is not.

BENNY WAMPLER: That will be incorporated. Mr. Mason?

GEORGE MASON: Mr. Wampler, LBR Holdings, LLC is in support in their application for force pooling by GeoMet and that GeoMet be designated as the operator. Thank you.

BENNY WAMPLER: Thank you. Is there a motion?

DONNIE RATLIFF: Motion to approve, Mr. Chairman.

BENNY WAMPLER: Motion to approve. Is there a second?

PEGGY BARBAR: Second.

BENNY WAMPLER: Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes, but Mary

Quillen.)

BENNY WAMPLER: Opposed, say no.

MARY QUILLEN: No.

BENNY WAMPLER: One no. You have approval.

TIM SCOTT: Thank you.

BENNY WAMPLER: Next is a petition from GeoMet Operating Company for pooling of coalbed methane unit D-44. This is docket number VGOB-06-1114-1788. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

TIM SCOTT: Let's see, are we on D-44? Is that right, Mr. Chairman?

BENNY WAMPLER: Yes.

TIM SCOTT: Okay. Just one second.

(Mr. Scott gets organized.)

TIM SCOTT: Okay.

BENNY WAMPLER: I have to everybody tell me who you are again.

TIM SCOTT: Okay. Tim Scott for GeoMet.

JEFF TAYLOR: Jeff Taylor with GeoMet.

BENNY WAMPLER: Tom Mullins and Pebbles Deel with the Street Law Firm representing GeoMet.

DON PATTON: Don Patton with GeoMet.

GEORGE MASON: George Mason representing LBR

Holdings, LLC.

ERTIL WHITT: Ertil Whitt, LBR Holdings.

BENNY WAMPLER: Okay. You may proceed...oh,
sorry.

MARK SWARTZ: Mark Swartz and Les Arrington
representing CNX.

BENNY WAMPLER: You may proceed, Mr. Scott.

TIM SCOTT: Thank you. We'd ask that the
testimony regarding job description, job employment, lease
terms, the filing of the bond, authorization to conduct
business in the Commonwealth, as well as addresses for
correspondence be incorporated by reference.

BENNY WAMPLER: That will be incorporated.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, are you familiar with this
application?

A. I am, sir.

Q. And how many acres are included in this
unit?

A. In this particular unit, there's 80 acres,
sir.

Q. And is it located in the Oakwood Field?

A. Yes, sir, it is.

Q. And what's the unit designation?

A. Unit designation is D-44.

Q. And does GeoMet have drilling rights in this unit?

A. Yes, sir, it does.

Q. Are there any parties respondents to be dismissed from the application?

A. No, sir, there is not.

Q. As to our lease position or GeoMet's lease position, what percentage of the coal estate is under lease to GeoMet?

A. 91.36%.

Q. And the oil and gas estate?

A. 79.94%.

Q. Now, as to notice of this hearing, how as that notice provided?

A. By two methods, sir. The first is by certified letter, return receipt requested and the second was by publication in the Bluefield Daily Telegraph.

Q. Has the proof of publication and the certification of mailings been provided to the Board with Mr. Wilson?

A. Yes, sir.

Q. Are there any unknown or unlocateable owners in this unit?

A. Yes, sir, there are.

Q. And what efforts did you engage in to try to locate these persons?

A. Basically, we've...it was, again, the Hobart Day Heirs, by letter, by telephone, by conversation with some of the parties relative to their interest and the unlocateable parties.

Q. Okay. As to the percentages under lease and the percentages sought to be pooled, again, what is the percentage of the coal estate under lease to GeoMet?

A. 91.36%.

Q. And the oil and gas estate?

A. 79.94.

Q. What percentage of the oil and gas estate are you seeking to pool?

A. 20.06%.

Q. And the coal estate?

A. 8.64%.

Q. Now, we've got a...we've got a double whammy here. We have...do we have a conflict between the owners---

A. We do have a conflict that exists in this unit, sir.

Q. ---and do we have unknown or unlocateable parties?

A. And yes, sir, we do have those too.

Q. Okay. As to the interest in conflict, what tracts are involved?

A. As for the interest in conflict, Tract 1 is involved and that's 11.42%.

Q. As to the unknown or unlocateable parties?

A. That's Tract Number 2 and that's .137141%.

Q. Has an Exhibit E been provided to the...with the application?

A. Yes, sir, it has.

Q. And are you requesting the Board to pool the unleased parties listed on Exhibit B-3?

A. I am, sir.

Q. And are you also requesting that GeoMet be named or designated as operator for this unit?

A. Yes, sir, I am.

TIM SCOTT: That's all I have for Mr. Patton.

BENNY WAMPLER: You have listed in your Exhibit E under Tract 2, gas estate, the Namain W. Day Heirs. You've been referring to those heirs as the Hobart W....the Hobart

Day Heirs.

DON PATTON: Yes, sir. Collectively, they're called the Hobart Day Heirs. The Namain W. Day Heirs will...well, Namain W. Day was also an Heir for the Day.

BENNY WAMPLER: Well, is that correct?

DON PATTON: If you'll note...if you'll note, sir, how they were listed one, two, three, four, five, six and then with Namain Day's Heirs you have a sub A and a sub B, which would be signify...and, excuse me, C and D and E. Those would be the heirs of Namain Day who was an heir of Hobart Day. Collectively, when I speak of the Hobart Day Heirs, I'm including the Namain Day Heirs also

BENNY WAMPLER: Well, it appears to me, when you have that...just on that sheet, I'm just trying to make sure it's accurate, it appears to me on E that your...that that reflect that there the Namain Day Heirs.

DON PATTON: The Day Heirs?

BENNY WAMPLER: Look at your Exhibit E.

DON PATTON: Yes, sir, I've got it.

MARY QUILLEN: They're all Namain Day Heirs.

GEORGE MASON: Not B, but E.

DON PATTON: Not B, but E.

MARY QUILLEN: It should be the Namain Day Heirs.

BENNY WAMPLER: He's saying Hobart Day Heirs

though.

MARY QUILLEN: Uh-huh, uh-huh.

BENNY WAMPLER: I mean, it's important to get that correct because---.

DON PATTON: It appears to...yeah, right. I see what you're saying, sir. It appears to be confusion there. It's a typo. We can---.

TIM SCOTT: I'll revise that.

DON PATTON: We can revise that.

BENNY WAMPLER: All right. Thank you.

DON PATTON: I understand what you're saying. I was looking at B-3. That's what I was looking at.

BENNY WAMPLER: Right. That's why I was trying to get you over to E.

DON PATTON: Thank you for bringing that to our attention.

BENNY WAMPLER: Other questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. The Pocahontas Mining interest is 5.76% in

this unit?

A. That's my understanding, sir.

Q. And it's leased to CNX?

A. That's my understanding, sir.

MARK SWARTZ: That's all I have.

BENNY WAMPLER: Call your next witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Taylor, you're familiar with this application?

A. Yes.

Q. And what is the total depth of this well?

A. 2,320 feet.

Q. And what's the estimated production?

A. 1,091 million cubic feet.

Q. Did you assist in the preparation of the estimated well costs?

A. Yes, under my direction.

Q. And that was attached to the application, is that right?

A. It was.

Q. And you've signed it?

A. Yes, I did.

Q. Okay. What's the estimated completed well costs?

A. \$404,910.

Q. And the dry hole costs?

A. \$172,750.

Q. Does this estimated well cost exhibit also include a charge for supervision?

A. Yes, it does.

Q. And would the granting of this application promote conservation, prevent waste and protect correlative rights?

A. It would.

TIM SCOTT: That's all the questions I have for Mr. Taylor.

BENNY WAMPLER: Any questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Your biggest costs on all of these are stimulation. Are you adjusting those well by well based on the geology or how do you---?

JEFF TAYLOR: The stimulation, when you actually get into it, will fluctuate based on your coal thickness and the number of coal seams and how those coal seams are

packaged together. We typically run around a \$100,000 per well. It's pretty close to what we've been running.

BENNY WAMPLER: So, your well costs generally, except for depth, will stay about the same?

JEFF TAYLOR: The depth will fluctuate the most probably.

BENNY WAMPLER: Right.

JEFF TAYLOR: The coal seams typically wind up being somewhat contiguous. You know, you may pick up one here and lose one there, but stimulation winds up being fairly consistent actually.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Scott?

TIM SCOTT: I want to clarify something on Exhibit E.

BENNY WAMPLER: Okay.

TIM SCOTT: Hobart Day had Namain Day who Hobart Day. So, we have two Hobart Days. One the...one the grandfather and one the grandson. So, we do have a missing Hobart Day as well. So, Exhibit E is correct.

BENNY WAMPLER: It is correct?

TIM SCOTT: Yes, sir, it is. We started with

Hobart who had Namain and Namain had Hobart as one of his children.

DONNIE RATLIFF: They had a lot of monogram towels.

(Laughs.)

MARY QUILLEN: Or silverware.

BENNY WAMPLER: Mr. Swartz, do you have any questions for this witness?

MARK SWARTZ: I would just move, again, you know, to incorporate the prior testimony and exhibits. I would point out that CNX Exhibit E went through their frac and completion costs and as far as we could tell, and it's shown on that exhibit, they're always the same. We have no objection, again, to pooling the unit, but, again, I have problems with the operator.

BENNY WAMPLER: Mr. Mason?

GEORGE MASON: On behalf of LBR Holdings, we support GeoMet's application for force pooling and also that they be designated by the Board as the operator of this unit.

BENNY WAMPLER: Do you have anything further, Mr. Scott?

TIM SCOTT: No, sir.

BENNY WAMPLER: Is there a motion?

DONNIE RATLIFF: Motion to approve, Mr. Chairman.

BENNY WAMPLER: Motion to approve. Is there a second?

PEGGY BARBAR: Second.

BENNY WAMPLER: Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval.

TIM SCOTT: Thank you.

BENNY WAMPLER: Next is a petition from GeoMet Operating Company for pooling of coalbed methane unit D-45, docket number VGOB-06-1114-1789. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

TIM SCOTT: Tim Scott for GeoMet.

JEFF TAYLOR: Jeff Taylor for GeoMet.

TIM SCOTT: Tom Mullins and Pebbles Deel from the Street Law Firm representing GeoMet.

DON PATTON: Don Patton for GeoMet.

GEORGE MASON: George Mason representing LBR

Holdings, LLC.

ERTIL WHITT: Ertil Whitt, LBR Holdings.

MARK SWARTZ: Mark Swartz and Les Arrington for
CNX.

BENNY WAMPLER: You may proceed, Mr. Scott.

TIM SCOTT: I guess you don't want to hear the
same one again, so I get another file out. As to this unit
and the testimony, we'd ask that information or testimony
regarding job description or job titles, filing of the bond,
authorization to conduct business and address regarding
orders and correspondence be incorporated by reference.

BENNY WAMPLER: That will be incorporated.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, are you familiar with
this...with this unit---

A. I am, sir.

Q. ---and this application?

A. I am, sir.

Q. Okay. As to this unit, how many acres are
embraced by this unit?

A. 80 acres, sir.

Q. And what's...is it in the Oakwood Field?

A. It is in the Oakwood Field, sir.

Q. And what's the unit designation?

A. The unit designation is D-45.

Q. Okay. As to parties respondent, are there any parties to be dismissed?

A. No, sir, there's not.

Q. And does GeoMet own drilling rights in this unit?

A. GeoMet does own drilling rights in this unit.

Q. Okay. We'll get to the percentage in just a moment. What...how was this notice...how was notice affected by this hearing today?

A. Basically, by two methods, sir. First was by certified letter, return receipt requested and also by publication in the Bluefield Daily Telegraph.

Q. Was the affidavit of publication and the mail certifications provided to Mr. Wilson?

A. It was, sir.

Q. Okay. As to the leasehold interest in this unit, what percentage of the coal estate does GeoMet have under lease?

A. 18.16%.

Q. And the oil and gas estate?

A. 15.89%.

Q. What percentage of the oil and gas estate are you seeking to pool?

A. 84.11%.

Q. And the coal estate?

A. 81.84%.

Q. Are there any unknown or unlocateable parties in this unit?

A. There are, sir.

Q. So, we'll have an escrow requirement, is that right?

A. We will, sir.

Q. Okay. Do we have a conflict with the Rogers' Cousins?

A. We have a conflict with the Rogers' Cousins in this unit, sir.

Q. And as to that conflict, what tracts were involved?

A. Tract Number 1 is involved in the conflict with the Rogers' Cousins and---.

Q. What's the percentage?

A. The percentage is 2.27%.

Q. As to unknown or unlocateables, what tract

is involved with that?

A. That's Tract Number 2 and that's the Hobart Day Heirs that we made reference to prior. Their percentage is .394760%.

Q. Okay. Has an Exhibit E been provided to the Board?

A. It has, sir.

Q. And it sets forth these...the escrow requirements, is that right?

A. That's correct. That is correct, sir.

Q. Are you requesting the Board to pool the unleased parties listed on Exhibit B-3?

A. That is our request, sir.

Q. And that GeoMet be named operator?

A. That is correct, sir.

TIM SCOTT: Okay. That's all the questions I have for Mr. Patton.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. It looks like PMC has 73.55% of this unit?

A. That's 73?

Q. .55?

A. I would think they had probably a little
bit more than that, Mr. Swartz.

Q. Well, I'm backing out the Day people.

A. I'm sorry, sir?

Q. I'm backing out the Day Heirs.

A. Okay, sir.

Q. And when I back that out, if I just add the
16.58---

A. Okay, right.

Q. ---and the 25.84---

A. Right.

Q. ---and 21.50 and 9.63, I come up with
73.55.

A. I think you're going to be very close, sir.

Q. Okay. And, again, CNX has that under
lease?

A. That is correct, sir.

MARK SWARTZ: Okay. That's all I have.

BENNY WAMPLER: Thank you. Call your next
witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Taylor, you're familiar with this application?

A. Yes, I am.

Q. What's the depth of this proposed well?

A. 2,360 feet.

Q. And the estimated production?

A. 1,085 million cubic feet.

Q. Did you assist in the preparation of the estimated well cost exhibit?

A. Yes, I did, under my direction.

Q. And did you sign it and submitted it to the Board---?

A. Yes, I did.

Q. ---with the application, is that right?

A. Yes.

Q. As to the well cost, what is the estimated completed well costs?

A. \$411,175.

Q. And the dry hole costs?

A. \$174,750.

Q. Does the...this exhibit and the estimated

well costs include a reasonable charge for supervision?

A. Yes, it does.

Q. Okay. And in your opinion, if this application is granted, would it promote conservation, prevent waste and protect correlative rights of the parties?

A. Yes, it would.

TIM SCOTT: Okay. That's all the questions I have for Mr. Taylor.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: The same motion to incorporate and the same oppositions.

BENNY WAMPLER: Okay. Mr. Mason?

GEORGE MASON: LBR Holdings is in support of the application for force pooling by GeoMet and also that it be appointed as the operator by the Board.

BENNY WAMPLER: Thank you. Do you have anything further, Mr. Scott?

TIM SCOTT: No, sir.

BENNY WAMPLER: Is there a motion?

DONNIE RATLIFF: I move to approve, Mr. Chairman.

BENNY WAMPLER: Motion to approve. Is there a

second?

PEGGY BARBAR: I second.

BENNY WAMPLER: Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying
yes.

(All Board members signify by saying yes, but Mary
Quillen.)

BENNY WAMPLER: Opposed, say no.

MARY QUILLEN: No.

BENNY WAMPLER: One no. You have approval. Next
is a petition from GeoMet Operating Company, Inc. for
pooling of coalbed methane unit C-45. This is docket number
VGOB-06-1114-1790. We'd ask the parties that wish to
address the Board in this matter to come forward at this
time.

TIM SCOTT: Tim Scott for GeoMet.

JEFF TAYLOR: Jeff Taylor for GeoMet.

TOM MULLINS: Tom Mullins from the Street Law Firm
representing GeoMet.

DON PATTON: Don Patton for GeoMet.

GEORGE MASON: George Mason representing LBR
Holdings, LLC.

ERTIL WHITT: Ertel Whitt, LBR Holdings.

MARK SWARTZ: Mark Swartz and Les Arrington on behalf of CNX.

BENNY WAMPLER: Thank you. You may proceed, Mr. Scott.

TIM SCOTT: Thank you. Mr. Chairman, we found another Tim Scott addition and subtraction issue on Exhibit B. So, I'm going to provide these to the Board.

(Mr. Scott passes out revised exhibits.)

BENNY WAMPLER: You may proceed.

TIM SCOTT: Thank you, sir. As to this particular application, again, we'd ask that the testimony regarding job description, job employment, authorization to conduct business in the Commonwealth, lease terms and notification...address for notification for elections and order be incorporated by reference.

BENNY WAMPLER: That will be incorporated.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, are you familiar with GeoMet's application for this unit?

A. I am, sir.

Q. How many acres are embraced by this unit?

A. 80 acres, sir.

Q. And what's the designation...unit designation in the Oakwood Field?

A. C-45.

Q. And does GeoMet have drilling rights in this unit?

A. Yes, sir, it does.

Q. Are we going to dismiss anybody today---?

A. No, sir.

Q. ---on B-3?

A. No, sir.

Q. And as to the leasehold position in this unit, what percentage of the coal estate is under lease to GeoMet?

A. The percentage of the coal estate under lease is 94.22%.

Q. And the oil and gas estate?

A. 82.4425%.

Q. How as notice provided that this hearing would occur to day?

A. By two methods, sir. First was by certified letter, return receipt requested and the other by publication in the Bluefield Daily Telegraph.

Q. Are there any unknown or unlocateable

owners in this unit?

A. Yes, sir, there are.

Q. And what efforts did you make to try to locate these parties?

A. Again, by letter, by telephone, by actual conversations with the parties relative to their interest and those missing parties.

Q. Okay. Did you file proofs of publication and certifications of mailings with Mr. Wilson?

A. Yes, sir, we did.

Q. Okay. Now, as to the percentages under lease, again, what percentage of the coal estate is under lease?

A. 94.22%.

Q. And the oil and gas estate?

A. 82.4425%.

Q. What percentage of the oil and gas estate are you seeking to pool?

A. 17.5575%.

Q. And the coal estate?

A. 5.78%.

Q. You testified just a minute ago that we have unknown or unlocateables, is that right?

A. That is correct, sir.

Q. And we also have the Rogers' Cousins in this unit, is that right?

A. That is correct, sir.

Q. So, we're going to have a...we have an escrow requirement?

A. That is correct, sir.

Q. Now, as to the interest in conflict...what... what tract is affected by that?

A. Tract 1 is affected by the Rogers' Cousin at an interest of 11.7775%.

Q. And as to the unknown or unlocateable parties?

A. That's Tract Number 2, sir, and that...that interest is 0.088572%.

Q. Okay. Has an Exhibit E been submitted to the Board that reflects the conflict and the fact that we can't locate some of these parties?

A. That is correct, sir.

Q. Okay. Are you requesting the Board to pool the unleased parties listed on Exhibit B-3?

A. Yes, sir, that is our request.

Q. And that GeoMet be named operator?

A. That is also our request, sir.

TIM SCOTT: Okay. That's all I have for Mr.

Patton.

BENNY WAMPLER: Questions from members of the
Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. The interest of PMC here is 3.92?

A. It's my assumption, sir. Yes, sir.

Q. And that that interest is leased to CNX?

A. That is my understanding, sir.

MARK SWARTZ: That's all I have.

BENNY WAMPLER: Thank you. Call your next
witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Taylor, you assisted in the preparation
of this application, is that right?

A. Yes.

Q. Okay. What's the depth of the proposed well?

A. 1,889 feet.

Q. And what's the estimated production?

A. 1,096 million cubic feet.

Q. Did you also assist in the preparation of the estimated well cost exhibit?

A. Yes.

Q. And did you sign that exhibit?

A. Yes, I did.

Q. And submitted it to the Board with the application, is that right?

A. Yes.

Q. As to the estimated completed well costs, what would that be?

A. \$379,900.

Q. Dry hole costs, what would that be?

A. \$157,050.

Q. Does this estimated well cost include a charge for supervision?

A. Yes, it does.

Q. Okay. And in your opinion, would the granting of this application be in the best interest of conservation, the prevention of waste and the protection of

correlative rights of the parties?

A. Yes, it would.

TIM SCOTT: That's all I have for Mr. Taylor.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: I would like to incorporate, as I have before, and I have the same oppositions.

BENNY WAMPLER: That will be incorporated. Mr. Mason?

GEORGE MASON: LBR Holdings, LLC is in support of GeoMet's application for force pooling and also that the Board designate them as the operator.

BENNY WAMPLER: Do you have anything further, Mr. Scott?

TIM SCOTT: No, sir.

BENNY WAMPLER: Is there a motion?

DONNIE RATLIFF: So moved, Mr. Chairman.

BENNY WAMPLER: Motion to approve.

PEGGY BARBAR: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying

yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval. Next is a petition...I'm going to do one more anyway.

TIM SCOTT: Let me get my new box.

BENNY WAMPLER: A petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit A-42, docket number VGOB-06-1114-1791. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

JEFF TAYLOR: Jeff Taylor with GeoMet.

TIM SCOTT: Tim Scott with GeoMet.

DON PATTON: Don Patton with GeoMet.

GEORGE MASON: George Mason representing, LBR Holdings, LLC.

ERTIL WHITT: Ertel Whitt, LBR Holdings.

MARK SWARTZ: Mark Swartz and Les Arrington representing CNX.

JEFF TAYLOR: Also, Tom Mullins with the Street Law Firm.

BENNY WAMPLER: You may proceed Mr. Scott.

TIM SCOTT: Thank you. As to the testimony of

this particular application, we'd ask that prior testimony concerning job description, job employment, authorization to conduct business, the bond on file and the addresses...the address for correspondence be incorporated by reference.

BENNY WAMPLER: That will be incorporated.

TIM SCOTT: Thank you.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, are you familiar with this particular application?

A. I am, sir.

Q. You did assist in the preparation of it, is that right?

A. Yes, sir, I did.

Q. Okay. How many units...how many acres are embraced by this unit?

A. 80 acres in this unit, sir.

Q. And it's in the Oakwood Field, is that right?

A. It is...it is.

Q. And what's the unit designation?

A. A-42.

Q. Does GeoMet have drilling rights in this unit?

A. GeoMet does have drilling rights in this unit, sir.

Q. Are we going to dismiss anybody today?

A. No, sir, we're not.

Q. Okay. As to leasehold position, what percentage of the coal estate is under lease to GeoMet?

A. GeoMet has 95.71% in the coal estate.

Q. What about the oil and gas estate?

A. 73.3775% of the oil and gas estate.

Q. How was---?

MARY QUILLEN: Could you repeat that, please?

A. Yes, ma'am. Which one, the coal or oil and gas or both?

MARY QUILLEN: The gas.

A. The oil and gas, 73.3775.

MARY QUILLEN: That's not what we have.

TIM SCOTT: That's not what it is.

A. Did I write it down wrong? I'm sorry, just a moment, please. I'm sorry, 72.3775. My apologize, ma'am.

BENNY WAMPLER: All right. We'll catch you.

(Laughs.)

A. And to the Board.

Q. As to notice for this hearing, how was that done?

A. By two methods, sir. First was by certified letter, return receipt requested and the second was by publication in the Bluefield Daily Telegraph.

Q. Okay. Do we have any unknown or unlocateable owners in this unit?

A. No, sir, we don't.

Q. Okay. Have you filed proofs of mailing and affidavit of publication with Mr. Wilson?

A. Yes, we have.

Q. Okay. As to the percentage of the oil and gas that's sought to be pooled, can you tell us what that percentage is?

A. Yes, sir. It's 95.71 of the coal estate.

Q. That's what we have under lease?

A. That's what we have...oh, as far as---

Q. What we're going to pool?

A. What we're going to pool, I'm sorry. 4.29% of the coal estate.

Q. What about the oil and gas estate?

A. 27.6225%.

Q. And as to this particular unit, we have the Rogers' Cousins again, is that correct?

A. Oh, yes, sir, we do.

Q. Okay. So, we're going to have an escrow requirement?

A. Yes, we are.

Q. And as to the interest in conflict, which tracts are affected by the escrow?

A. Actually, in this one we have four tracts that are affected. Tract 1 in which they have 9.72%, Tract 2 12.955%, Tract 3 .0625% and Tract 4 .5950%.

Q. Okay. Has the Exhibit E been submitted which reflects these percentages?

A. Yes, sir, it has.

Q. Okay. Are you requesting the Board to pool the unleased parties listed on Exhibit B-3?

A. Yes, sir, we are.

Q. And that GeoMet be listed...designated as operator?

A. Yes, sir.

TIM SCOTT: That's all the questions I have for Mr. Patton.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. The PMC here is 4.29%?

A. That's my understanding, sir.

Q. And it's leased to CNX?

A. That's also my understanding, sir.

MARK SWARTZ: That's all I have.

BENNY WAMPLER: Thank you. Call your next witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Taylor, did you participate in the preparation of this application?

A. Yes, sir.

Q. And what's the total depth of the proposed well?

A. 1,850 feet.

BENNY WAMPLER: Let me...let me stop you just a second and tell you that we can't...we need a new one. You can go ahead for the testimony.

TIM SCOTT: We're going to do that. I apologize.

BENNY WAMPLER: But you'd have to resubmit this.

TIM SCOTT: Yes, sir, we will do that.

MARY QUILLEN: Would you repeat, please?

TIM SCOTT: It's blurry.

MARY QUILLEN: Would you repeat that?

A. It's 1,850 feet.

TIM SCOTT: We'll get you a new one. I'm sorry.

BENNY WAMPLER: Get it on file with Mr. Wilson---.

TIM SCOTT: We'll do that immediately.

BENNY WAMPLER: ---and we'll be happy.

TIM SCOTT: We'll do that immediately.

Q. What's the estimated production for this unit?

A. 1,060 million cubic feet.

Q. Okay. Now, the estimated well costs that's attached as an exhibit to the application, you participated in the preparation of that, is that right or at your direction?

A. Yes.

Q. Okay. And as far as that is concerned, what's the estimated well costs?

A. \$396,475.

Q. And what about the estimated dry hole costs?

A. \$159,050.

Q. Okay. Does this estimated well cost include a charge for supervision?

A. Yes, it does.

Q. And would the granting of this application promote conservation, prevent waste and protect correlative rights?

A. Yes, it would.

TIM SCOTT: That's all I have for Mr. Taylor.

MARY QUILLEN: Just one clarification, is that 6,000 for supervision?

JEFF TAYLOR: Yes, ma'am. I think it's two for drilling and four for completion.

MARY QUILLEN: That's what it looks like. I just wanted to clarify that.

TIM SCOTT: I will apologize. That came over the fax and then it was small and I tried to enhance it, so that's why it's so blurry. I apologize for that. We'll get you a new one.

BENNY WAMPLER: Other questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: I'd like to incorporate, as I have

before, I have the same motions with regard to approval of the application, but not the operator.

BENNY WAMPLER: That will be incorporated. Mr. Mason?

GEORGE MASON: LBR Holdings supports the force pooling application of GeoMet Operating and also would request that the Board designate them as the operator of this unit.

BENNY WAMPLER: Thank you.

GEORGE MASON: Thank you.

BENNY WAMPLER: Do you have anything further, Mr. Scott?

TIM SCOTT: No, sir.

BENNY WAMPLER: Is there a motion?

DONNIE RATLIFF: Motion to approve, Mr. Chairman.

BENNY WAMPLER: Motion to approve. Is there a second?

PEGGY BARBAR: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval. Can we go one more or not?

DONNIE RATLIFF: Go for it.

PEGGY BARBAR: I need to go.

BENNY WAMPLER: You need to go?

MARY QUILLEN: Yeah.

PEGGY BARBAR: I do.

BENNY WAMPLER: Okay, we're done.

PEGGY BARBAR: I thought we were quitting at 4:30 is why I didn't say anything.

BOB WILSON: Mr. Chairman, just so that we got everything lined up here. We think we're going to have a quorum in the morning. If you attorneys would put a telephone number where I can find you tonight, I will call you if I find out otherwise.

BENNY WAMPLER: And the Board members, right?

BOB WILSON: Nah. There is not enough of them left to call.

MARK SWARTZ: You know who is important to him.

BOB WILSON: Yeah, I've got to get these dudes. Should we...should we also, in the event that we are unable to establish a quorum in the morning, go through the procedures necessary to carry all of this forward to next

month?

BENNY WAMPLER: This will be carried forward until next month, all of it, if we cannot get a quorum for in the morning.

GEORGE MASON: What time are going to meet here, 8:30?

BENNY WAMPLER: Can you meet at 8:00? Board members?

(Board members indicate in the affirmative.)

BENNY WAMPLER: Let's go 8:00 o'clock. I probably have to drive further than any of you. So, I can be here.

COURT REPORTER: I don't know about that.

DONNIE RATLIFF: I might beat you by two miles.

BENNY WAMPLER: You got me two miles. Yeah, you do. All right, we'll see you in the morning hopefully.

(Convened until the next morning.)

BENNY WAMPLER: Good morning, my name is Benny Wampler. I'm Deputy Director for the Department of Mines, Minerals and Energy and Chairman of the Gas and Oil Board. I'll ask the Board members to introduce themselves beginning with Ms. Barbar.

PEGGY BARBAR: I'm Peggy Barbar, Dean of Engineering, Southwest Virginia Community College, a public member.

BENNY WAMPLER: Go ahead and introduce yourself.

DEANIS SIMMONS: Oh, I'm Deanis Simmons with the Attorney General's office.

BILL HARRIS: I'm Bill Harris, a public member from Wise County. I'm on the faculty at Mountain Empire Community College.

DONNIE RATLIFF: I'm Donnie Ratliff with Alpha Natural Resources representing the coal.

BENNY WAMPLER: The first item on today's agenda is a petition from GeoMet Operating Company, Inc. for pooling of coalbed unit D-43. This is docket number VGOB-06-1114-1792. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

TIM SCOTT: Mr. Chairman, you indicated just a minute ago that those that we needed to get on that we needed to address those first.

BENNY WAMPLER: Right.

TIM SCOTT: We have a couple of them that I've got a witness that's going to need to leave. Can I do that? All the parties are here.

BENNY WAMPLER: Let's do this one and then we'll go straight to them.

TIM SCOTT: Okay. All right. That's fine.

TOM MULLINS: Tom Mullins from the Street Law Firm

representing GeoMet.

JEFF TAYLOR: Jeff Taylor with GeoMet.

TIM SCOTT: Tim Scott with GeoMet.

DON PATTON: Don Patton with GeoMet.

GEORGE MASON: George Mason representing LBR Holdings, LLC.

ERTIL WHITT: Ertel Whitt, LBR Holdings, LLC.

MARK SWARTZ: Mark Swartz and Les Arrington representing CNX.

BENNY WAMPLER: All of your witnesses are under oath from yesterday. Does anybody have a problem with that? If not, I'll get you resworn. So, you're reminded that you're under oath, so you may proceed, Mr. Scott.

TIM SCOTT: Thank you. As to this particular application, we'd ask that the testimony regarding job description, employment, authorization to conduct business, the bond on file and the address to which all notice should be incorporated by reference.

BENNY WAMPLER: That will be incorporated.

TIM SCOTT: Thank you, sir.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Mr. Patton, are you familiar with this application?

A. Yes, sir, I am.

Q. How many acres are embraced by this unit?

A. 80 acres in this unit, sir.

Q. Is it in the Oakwood Field?

A. Yes, sir, it is.

Q. And what's the unit designation?

A. D-43.

Q. Does GeoMet have drilling rights in this unit?

A. Yes, sir, it does.

Q. Are we going to dismiss anybody today?

A. No, sir.

Q. Okay. As to the leasehold estates, what percentage of the coal estate is under lease to GeoMet?

A. 81%.

Q. And the oil and gas estate?

A. 70.875%.

Q. With regard to the hearing, how was notice affected?

A. Notice was affected two ways, the first way was by a certified letter, return receipt requested and the second method was the publication in the Bluefield Daily Telegraph.

Q. Are there any unknown or unlocateable persons in this unit?

A. No, sir, there isn't.

Q. Okay. Have you filed proofs of mailing and affidavit of publication with the Board?

A. Yes, sir, we have.

Q. Now, as to the percentage of the leasehold estates, what, again, is the percentage of the coal estate under lease to GeoMet?

A. 81%.

Q. And the oil and gas estate?

A. 70.875%.

Q. What percentage of the oil and gas estate are you seeking to pool?

A. 29.125%.

Q. And the coal estate?

A. 19%, sir.

Q. And as the usual case, we have the Rogers' Cousins in this unit, do we not?

A. Yes, sir, we do.

Q. So, we're going to have an escrow requirement?

A. Yes, sir, we will.

Q. And as to the escrow requirement, what tract is affected by that?

A. Tract 1 of this proposed unit is affected by the Rogers' Cousins and the interest is 10.125%.

Q. Has an Exhibit E been submitted to the Board which reflects this conflict?

A. Yes, sir, it has.

Q. Okay. Are you requesting the Board to pool the unleased parties listed on Exhibit B-3?

A. Yes, sir.

Q. And that GeoMet be named as operator for this unit?

A. That is correct, sir.

TIM SCOTT: That's all I have for Mr. Patton.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Pocahontas Mining has a 19% interest in this unit?

A. That's my understanding, sir.

Q. And it's leased to CNX?

A. That's my understanding, sir.

MARK SWARTZ: That's all I have.

BENNY WAMPLER: Call your next witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Taylor, are you familiar with this application?

A. Yes, sir.

Q. And you assisted in the preparation of the application, is that right?

A. Yes, sir.

Q. Okay. As to the depth of the proposed well, what would that be?

A. 2,360 feet.

Q. And what are the estimated...what's the estimated production from this unit?

A. 1,096 million cubic feet.

Q. Did you prepare or direct the preparation

of the estimated well cost exhibit?

A. Yes, sir.

Q. And did you sign it?

A. Yes, sir.

Q. Submitted it to the Board, of course?

A. Yes.

Q. And as to that exhibit, what's the
estimated completed well costs?

A. \$405,450.

Q. And the dry hole costs?

A. \$173,250.

Q. Does the estimated well cost include a
charge for supervision?

A. Yes.

Q. And in your opinion, would the granting of
this application promote conservation, prevent waste and
promote...and protect correlative rights?

A. It would.

TIM SCOTT: Okay. That's all I have for Mr.
Taylor.

BENNY WAMPLER: Any questions from members of the
Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: I move to incorporate the testimony from yesterday and I have the same position, no objection to the pooling. I object to GeoMet being appointed operator.

BENNY WAMPLER: That will be incorporated. Do you have anything further, Mr. Scott?

TIM SCOTT: No, sir.

BENNY WAMPLER: Is there a motion?

DONNIE RATLIFF: Motion to approve, Mr. Chairman.

PEGGY BARBAR: I second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor signify by saying yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval.

TIM SCOTT: Thank you.

BENNY WAMPLER: Do you want to direct me to the...your priorities now?

TIM SCOTT: Actually, it's number thirty-seven.

BENNY WAMPLER: Okay. Next is a petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit B-42, docket number VGOB-06-1114-1793. We'd

ask the parties that wish to address the Board in this matter to come forward at this time.

TOM MULLINS: Tom Mullins at the Street Law Firm representing GeoMet.

JEFF TAYLOR: Jeff Taylor with GeoMet.

TIM SCOTT: Tim Scott with GeoMet.

DON PATTON: Don Patton with GeoMet.

GEORGE MASON: George Mason representing LBR Holdings, LLC.

ERTIL WHITT: Ertel Whitt, LBR Holdings, LLC.

TIM BLACKBURN: Tim Blackburn with GeoMet.

BENNY WAMPLER: Mark?

MARK SWARTZ: Mark Swartz and Les Arrington on behalf of CNX.

BENNY WAMPLER: You may proceed, Mr. Scott.

TIM SCOTT: Was Mr. Blackburn sworn in yesterday?

COURT REPORTER: Yes.

TIM SCOTT: He was, wasn't he?

COURT REPORTER: Yes.

TIM SCOTT: Okay. I just wanted to make sure.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Okay. Are you familiar with this application, Mr. Patton?

A. Yes, sir, I am.

Q. How many acres do we have in this unit?

A. We have 80 acres in this proposed unit, sir.

Q. And what is the...what's the unit designation in the Oakwood Field.

A. It's B-42.

Q. Does GeoMet have drilling rights in this unit?

A. Yes, sir, it does.

Q. And are we dismissing any parties today?

A. No, sir, we're not.

Q. As to the leasehold interest, what percentage of the coal estate is under lease to GeoMet?

A. 12.96%.

Q. And the oil and gas estate?

A. 10.5325%.

Q. How was notice provided to the parties respondent on Exhibit B-3?

A. By two methods, sir. The first was by a certified letter, return receipt requested. Second was by publication in the Bluefield Daily Telegraph.

Q. Okay. Do we have any unknown unlocateable owners in this unit?

A. No, sir.

Q. Okay. Have you filed proofs of mailing and affidavit of publication with the Board?

A. Yes, sir, we have.

Q. Okay. Now, as to these leasehold interests, again, what is the...what is the coal estate under lease...the percent of the coal estate under lease to GeoMet?

A. 12.96%.

Q. And the oil and gas estate?

A. 10.5325%.

Q. What percentage of the oil and gas estate is GeoMet seeking to pool?

A. 89.4675.

Q. And the coal estate?

A. 87.04.

Q. Now, with regard to this unit, is there an escrow requirement?

A. Yes.

Q. And it involves the Rogers' Cousins, is that right?

A. Yes, sir, it does.

Q. Which tracts are involved in the...for
escrow?

A. There's two tracts involved in this
particular unit, Tract 1 and the Rogers' Cousins would have
a 1.615% and Tract 3 that interest would be 0.8125%.

Q. And we have no unknowns in this, is that
right?

A. No, sir, that is correct.

Q. Okay. Has an Exhibit E been submitted to
the Board?

A. Yes, sir.

Q. And were you requesting the Board to pool
the unleased parties listed on Exhibit B-3?

A. We are, sir.

Q. And that GeoMet be named as operator?

A. That is correct, sir.

TIM SCOTT: That's all the questions I have for
Mr. Patton.

BENNY WAMPLER: Questions from members of the
Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Pocahontas Mining has an 87.04% interest in this unit?

A. That's my understanding, sir.

Q. About seven times what your company has?

A. Well, I...mathematically---.

Q. About seven times twelve is 84?

A. Okay.

Q. Okay.

A. You've answered that question, sir.

Q. All right. And do you understand that PMC has leased their interests to CNX?

A. That's my understanding, sir.

Q. And that PMC owns oil, coal and gas?

A. That's my understanding, sir.

MARK SWARTZ: That's all I have.

BENNY WAMPLER: Thank you. Call your next witness.

TIM SCOTT: Okay.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Okay. Mr. Taylor---?

A. Yes.

Q. ---are you familiar with this application?

A. Yes, I am.

Q. And what's the total depth of the proposed well?

A. 2,480 feet.

Q. And what is the estimated production for this well?

A. 1,080 million cubic feet.

Q. Did you assist in the preparation of the estimated well cost exhibit?

A. Yes, I did, under my direction.

Q. And you signed?

A. Yes.

Q. Okay. As to the costs, what's the estimated completed well costs?

A. \$414,750.

Q. And the dry hole costs?

A. \$178,750.

Q. Does the estimated well cost exhibit provide for a supervision charge?

A. Yes, it does.

Q. And in your opinion, would the granting of this application promote conservation, prevent waste and

protect correlative rights?

A. It would.

TIM SCOTT: Okay. That's all I have for Mr. Taylor.

BENNY WAMPLER: Any questions from members of the Board of Mr. Taylor?

BILL HARRIS: Let me ask---.

BENNY WAMPLER: Mr. Harris.

BILL HARRIS: Let me ask a quick question about the location of the well. If you would just refer to the plat. Could you just tell us why it's located---?

TIM SCOTT: We're going to...I'm going to swear Mr. Blackburn or---.

JEFF TAYLOR: He's already sworn.

TIM SCOTT: I mean, we'll ask him those questions right now, okay.

BILL HARRIS: Okay.

BENNY WAMPLER: Mr. Swartz, do you have any questions of this witness?

MARK SWARTZ: No.

BENNY WAMPLER: Call your next witness.

TIM BLACKBURN

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Blackburn, state your full name, please.

A. Tim Wesley Blackburn.

Q. And by whom are you employed?

A. I'm employed by T Engineering Company. We provide services for GeoMet.

Q. Did you assist in the preparation of this plat?

A. Yes.

Q. We note that the...the drilling location is not within the boundary that we typically find. What's the reason for that, please?

A. It's related to long term mining in the Jawbone seam.

Q. So, it there...is this the logical place for this particular well?

A. Yes.

Q. Is there active mining?

A. Yes.

TIM SCOTT: Okay.

BILL HARRIS: Thank you.

TIM SCOTT: That's all I have for Mr. Blackburn.

BENNY WAMPLER: Other questions from members of

the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: No.

BENNY WAMPLER: Do you have anything further?

TIM SCOTT: No, sir.

BENNY WAMPLER: Is there a motion?

BILL HARRIS: Motion for approval.

PEGGY BARBAR: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying
yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval.

TIM SCOTT: Thank you. The next one, Mr.
Chairman, is B-41, which is, let me get the docket number,
fifty-two, or the docket item.

BENNY WAMPLER: This is a petition from GeoMet
Operating Company for pooling of coalbed methane unit B-41,
docket number VGOB-06-1114-1808. We'd ask the parties that
wish to address the Board in this matter to come forward at

this time.

JEFF TAYLOR: Jeff Taylor with GeoMet.

TIM BLACKBURN: Tim Blackburn with GeoMet.

TOM MULLINS: Tom Mullins with the Street Law Firm
for GeoMet.

TIM SCOTT: Tim Scott for GeoMet.

DON PATTON: Don Patton with GeoMet.

GEORGE MASON: George Mason representing LBR
Holdings, LLC.

ERTIL WHITT: Ertel Whitt, LBR Holdings, LLC.

MARK SWARTZ: Mark Swartz and Les Arrington
representing CNX.

BENNY WAMPLER: You may proceed. There are no
others.

TIM SCOTT: Thank you, sir. We will incorporate
by reference, with the Board's approval, the testimony
regarding employment, job description, authorization to
conduct business, the bond on file and the address for
notices.

BENNY WAMPLER: That will be incorporated.

TIM SCOTT: Thank you, sir.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, are you familiar with this application?

A. Yes, sir, I am.

Q. How many acres do we have in this unit?

A. 80 acres in this unit, sir.

Q. What's the unit designation in the Oakwood Field?

A. B-41.

Q. And does GeoMet own drilling rights in this unit?

A. Yes, sir, it does.

Q. Are we going to dismiss anybody today?

A. No, sir.

Q. As to the leasehold interest, what percentage of the coal estate does GeoMet have under lease?

A. 5.61%.

Q. And the oil and gas estate?

A. 4.2075%.

Q. How was notice provided to parties respondent for this hearing?

A. By two methods, sir. First was by certified letter, return receipt requested and the second by publication in the Bluefield Daily Telegraph.

Q. Are there any unknown or unlocateable persons in this unit?

A. No, sir.

Q. Have you filed proofs of mailing and publication with the Board?

A. Yes, sir, we have.

Q. As to the percentages under lease, again the coal estate ,what's the percentage GeoMet has under lease?

A. 5.61%.

Q. And the oil and gas estate?

A. 4.2075%.

Q. And what percentage of the oil and gas estate are you seeking to pool?

A. 95.7925%.

Q. And the coal estate?

A. 94.39%.

Q. With regarding to unit, is there going to be an escrow requirement?

A. Yes, sir, there will.

Q. And is it as a result of interest in conflict, is that right?

A. Yes, sir. Again, it's the Rogers' Cousins.

Q. What tract is in...is in play here?

A. That's Tract Number One.

Q. And what's the percentage?

A. And percentage is 1.4025%.

Q. Again, we have no unlocateables or unknowns, is that right?

A. That's correct, sir.

Q. Has an Exhibit E been submitted?

A. Yes, sir.

Q. And are you requesting the Board to pool the unleased parties on Exhibit B-3?

A. Yes, sir, we are.

Q. And also that GeoMet be named operator?

A. That is correct, sir.

TIM SCOTT: Okay. That's all I have for Mr. Patton.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. On this unit, PMC Has 94.39% of the coalbed methane leased, is that right?

A. That is my understanding, sir.

Q. And they've leased it to CNX?

A. That is my understanding, sir.

Q. And you've got less than 6%?

A. 5.61 as I testified, sir.

MARK SWARTZ: That's all I have.

BENNY WAMPLER: Call your next witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Taylor, did you assist in the preparation of this application?

A. Yes, sir.

Q. And you are familiar with the application?

A. Yes, sir.

Q. What's the total depth of the proposed well?

A. 2,490 feet.

Q. And what's the estimated production?

A. 1,075 million cubic feet.

Q. Did you prepare or direct the preparation of the estimated well cost exhibit?

A. Yes, sir, under my direction.

Q. And you signed it and submitted it to the Board, is that right?

A. Yes, sir.

Q. Okay. As to that exhibit, what is the estimated completed well costs?

A. \$415,275.

Q. And the dry hole costs?

A. \$178,750.

Q. Is there a charge for supervision on this exhibit?

A. Yes.

Q. Okay. And in your opinion, would the granting of this application prevent waste, promote conservation and protect correlative rights of the parties?

A. It would.

TIM SCOTT: That's all I have for Mr. Taylor.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: Nothing.

TIM SCOTT: Okay. The next witness is Mr. Blackburn.

BENNY WAMPLER: Go ahead.

TIM BLACKBURN

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Blackburn, this is a similar situation to unit B-41, is that right?

A. Yes.

Q. Okay. And we have...the proposed well is outside the drilling window, is that right?

A. Yes.

Q. Okay. And what's the reason for that, please?

A. It's, again, related to active mining in the Jawbone seam.

Q. And that would be the logical place for this well, is that right?

A. Yes.

TIM SCOTT: Okay. That's all I have for Mr. Blackburn.

DONNIE RATLIFF: Mr. Chairman.

BENNY WAMPLER: Mr. Ratliff.

DONNIE RATLIFF: Who's mining there, Mr. Blackburn?

TIM BLACKBURN: This is Jewell Smokeless Coal

Corporation, one of the Dominion Mines.

BENNY WAMPLER: Other questions?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: No questions.

BENNY WAMPLER: Do you have anything further?

TIM SCOTT: No, sir.

BENNY WAMPLER: Mr. Mason?

GEORGE MASON: Just that LBR Holdings supports the pooling application of GeoMet Operating and also that it be designated as the unit operator.

BENNY WAMPLER: Is there a motion?

DONNIE RATLIFF: Motion to approve.

BILL HARRIS: Second.

MARK SWARTZ: Mr. Chairman, can I have a standing position, so I don't have to interrupt before you go to a vote every time. I mean---.

BENNY WAMPLER: You may.

MARK SWARTZ: I sort of statement. If I could just...I'm not sure I had a chance the last one either. If I could just request on standing basis that the testimony from yesterday and the exhibits and so forth be incorporated in the rest of the hearings that we have today and that it would be understood that my position remains the same. Then

I can...then I don't need to---.

BENNY WAMPLER: That will be incorporated in all of the hearings that we have had and will have today.

MARK SWARTZ: Okay, great.

GEORGE MASON: Would you---?

TOM MULLINS: All of the hearings which CNX has an interest, is that your position? The ones that you all don't have an interest in, you don't---?

MARK SWARTZ: Well, apparently you don't have to much of an interest in a unit to be the operator. So, we might...we will address that issue when we get to it.

GEORGE MASON: Mr. Chairman, would you also incorporate the position of LBR Holdings, LLC, that it supports the pooling application of GeoMet Operating for all of the applications that involve LBR Holdings property and also that LBR Holdings supports the position of GeoMet that they be designated as the operator for all of those units?

BENNY WAMPLER: That will be incorporated in the ones that we have today, plus the ones that we will have today.

GEORGE MASON: Thank you, sir.

BENNY WAMPLER: Okay. I have a motion. Do I have a second?

PEGGY BARBAR: Second.

BENNY WAMPLER: Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying
yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval.

TIM SCOTT: Thank you.

BENNY WAMPLER: Did you have any other priority?

TIM SCOTT: Yes, sir, forty-nine and fifty.

BENNY WAMPLER: Forty-nine and fifty?

TIM SCOTT: Yes, sir.

BENNY WAMPLER: This is a petition from GeoMet
Operating Company for pooling coalbed methane unit C-38,
docket number VGOB-06-1114-1805. We'd ask the parties that
wish to address the Board in this matter to come forward at
this time.

JEFF TAYLOR: Jeff Taylor with GeoMet.

TOM MULLINS: Tom Mullins with the Street Law Firm
on behalf of GeoMet.

TIM SCOTT: Tim Scott with McKinnis & Scott on
behalf of GeoMet.

DON PATTON: Don Patton with GeoMet.

GEORGE MASON: George Mason representing LBR Holdings, LLC.

ERTIL WHITT: Ertel Whitt, LBR Holdings, LLC.

BENNY WAMPLER: Mark...Mark?

MARK SWARTZ: I'm sorry. What does the application indicate that PMC has in this unit?

BENNY WAMPLER: No, I just need you to state your name.

MARK SWARTZ: Oh, okay. I'm sorry.

(Laughs.)

BENNY WAMPLER: They're slowing down on me, Mark. I'm trying.

MARK SWARTZ: I'm multi-tasking here. Mark Swartz and Les Arrington for CNX.

BENNY WAMPLER: Thank you.

MARK SWARTZ: I'm sorry.

BENNY WAMPLER: The record will show no others. You may proceed, Mr. Scott.

TIM SCOTT: We're going to incorporate by reference, with the Board's permission, employment, job description, authorization to conduct business, the bond on file, as well as notices for the elections and for the order.

BENNY WAMPLER: That will be incorporated. You

may proceed.

TIM SCOTT: Thank you, sir.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, are you familiar with this application?

A. Yes, sir, I am.

Q. And how many acres are in this unit?

A. There's 80 acres in this proposed unit, sir.

Q. What unit designation is in Oakwood Field?

A. C-38.

Q. Are we going to dismiss anybody today?

A. No, sir.

Q. And as to the coal estate, what percentage does GeoMet have under lease?

A. 97.96%.

Q. And the oil and gas estate?

A. 97.96%.

Q. How was notice affected for this particular hearing?

A. By two methods, sir. The first was by a

certified letter, return receipt requested. The second was by publication in the Bluefield Daily Telegraph.

Q. Are there any unknown or unlocateable owners in this unit?

A. No, sir.

Q. Okay. Have you filed proofs of publication and proof of mailing?

A. Yes, sir, we have.

Q. Okay. As to the request for pooling, what percentage does GeoMet have under lease for the coal estate?

A. 97.96.

Q. And the oil and gas estate?

A. Also, 97.96.

Q. What percentage of oil and gas estate are you seeking to pool?

A. 2.04%.

Q. In the coal estate?

A. Also, 2.04%.

Q. Now, this one we don't need an escrow, is that right?

A. No, sir, that is correct.

Q. We don't have any Rogers' Cousins in this one?

A. That is correct.

Q. Okay. Are you requesting the Board to pool the unleased parties listed on Exhibit B-3?

A. We are at this time, sir.

Q. And that GeoMet be named operator?

A. Yes, sir, we are.

TIM SCOTT: Okay. That's all I have for Mr. Patton.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. What is PMC's interest in this unit?

TIM SCOTT: I don't believe you have any.

MARK SWARTZ: Is this C-38?

TIM SCOTT: Yes.

DON PATTON: Yes.

MARK SWARTZ: Okay. What's the docket number? Forty-nine, I've got it. Mr. Kaiser asked me to indicate to the Board that he wanted to incorporate the evidence...he represents Appalachia Energy and passed the ball to me yesterday and asked me to convey his request that the

hearing testimony be incorporated from yesterday with regard to this unit and with regard to the operator as well.

Q. My question is, what is the interest that Appalachian Energy might have in this unit?

A. It's 2.04%.

Q. And is that by reason of a lease?

A. That's my understanding, yes, sir.

Q. And is that the Mullins/Waldo interest that's leased to them?

A. That's also my understanding, sir.

MARK SWARTZ: That's all I have, Mr. Chairman.

BENNY WAMPLER: Thank you. That will be incorporated.

TOM MULLINS: I'd just note an objection for the record that since Appalachian was not a party to that, it's our position it's not proper for them to incorporate that evidence into the record. I understand that the Board will--.

BENNY WAMPLER: I understand. I'm going to go ahead and incorporate it. We will be pretty liberal with that. I understand though your objection. Overruled. Call your next witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Taylor, did you assist in the preparation of this application?

A. I did.

Q. And as to the total depth of the proposed well, what would that be?

A. 2,480 feet.

Q. And the estimated production?

A. 1,142 million cubic feet.

Q. Did you assist or direct the preparation of the estimated well cost exhibit?

A. I did.

Q. And you signed it?

A. Yes, sir.

Q. As to the estimated completed well costs, what would that be?

A. \$414,275.

Q. And the dry hole costs?

A. \$177,750.

Q. Is there a charge listed for supervision?

A. Yes, there is.

Q. And in your opinion, would the granting of this application be in the best interest of conversation,

promote... prevent waste and protect correlative rights?

A. It would.

TIM SCOTT: That's all I have for Mr. Taylor.

BENNY WAMPLER: Would you repeat the estimated production or reserve?

JEFF TAYLOR: 1142 million cubic feet.

BENNY WAMPLER: Thank you. Other questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Do you have anything further?

TIM SCOTT: No, sir.

BENNY WAMPLER: Is there a motion?

DONNIE RATLIFF: So moved, Mr. Chairman.

PEGGY BARBAR: Second.

BENNY WAMPLER: Motion to approve and second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval. Next is a petition from GeoMet Operating Company, Inc. for pooling of

coalbed methane unit C-39, docket number VGOB-06-1114-1806.

We'd ask the parties that wish to address the Board in this matter to come forward at this time.

JEFF TAYLOR: Jeff Taylor with GeoMet.

TOM MULLINS: Tom Mullins with the Street Law Firm representing GeoMet.

TIM SCOTT: Tim Scott with McKinnis & Scott representing GeoMet.

DON PATTON: Don Patton, GeoMet.

GEORGE MASON: George Mason representing LBR Holdings, LLC.

ERTIL WHITT: Ertel Whitt, LBR Holdings, LLC.

MARK SWARTZ: Mark Swartz and Les Arrington on behalf of CNX. This involves the same sort of situation for Appalachian Energy. So, at the request of Counsel, you know, I'm tendering the same sort of...I will be tendering the same sort of questions that I asked in the last hearing.

BENNY WAMPLER: Okay. The record will show no others. You may proceed.

TIM SCOTT: Thank you, sir. We will incorporate by reference, with the Board's permission, the testimony regarding employment, job description, authorization to conduct business in the Commonwealth, the bond on file, as well as the address for notices with regard to the elections

in the order.

BENNY WAMPLER: That will be incorporated. You may proceed.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, are you familiar with this application?

A. Yes, sir, I am.

Q. And how many acres do we have in this unit?

A. 80 acres, sir.

Q. What's the unit designation in the Oakwood Field?

A. C-39.

Q. And does GeoMet have drilling rights in this unit?

A. Yes, sir, it does.

Q. Are we going to...are we going to dismiss anybody today?

A. No, sir.

Q. Okay. As to the leasehold interest, what percentage of the coal estate is under lease to GeoMet?

A. GeoMet has 22.44%.

Q. And the oil and gas estate?

A. 22.375%.

Q. How was notice provided to parties
respondent?

A. By two methods, sir. The first was by a
certified letter, return receipt requested. The other was
by publication in the Bluefield Daily Telegraph.

Q. Are there any unknown or unlocateable
parties in this unit?

A. No, sir.

Q. Okay. Have you filed the proofs of
publication and mailing?

A. Yes, sir, we have.

Q. Okay. As to the drilling rights, again,
what is the percentage of the coal estate under lease to
GeoMet?

A. 22.44.

Q. And the oil and gas estate?

A. 22.375.

Q. What percentage of the oil and gas estate
are you seeking...is GeoMet seeking to pool?

A. 77.625%.

Q. And the coal estate?

A. 75.56%.

Q. We're back with the Rogers' Cousins, are we not?

A. Yes, sir, we have them in here.

Q. So, we're going to have an escrow requirement?

A. That is correct, sir.

Q. And as to that requirement, what tract is affected by that?

A. The Rogers' Cousins---

BENNY WAMPLER: Let me...let me interrupt you. Would you repeat what you said on the coal estate that you wanted to---.

A. The coal estate, sir?

BENNY WAMPLER: Yes.

A. As far as what we have or what we want to--
-?

BENNY WAMPLER: The percentage you wanted...when you answered the question just now on the percentage that you wanted to pool.

A. To pool, 77.56.

BENNY WAMPLER: Okay. I thought you said 75. Go ahead. I'm sorry.

TIM SCOTT: He's telling me to slow down. I'm sorry, Mr. Chairman.

A. We do have the Rogers' Cousins on this one.

Q. Okay.

A. They're involved in Tract Number 2 and their percentage of interest is 0...excuse me, .065%.

Q. Has an Exhibit E been prepared and filed with the application?

A. Yes, sir, it has.

Q. Okay. And are you requesting the Board to pool the unleased parties listed on Exhibit B-3?

A. Yes, sir, we are.

Q. Are you also requesting that GeoMet be named and designated as operator for this unit?

A. Yes, sir, we are.

TIM SCOTT: That's all I have for Mr. Patton.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

MARK SWARTZ: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Mr. Patton, Pocahontas Mining has an

interest in the coalbed methane here?

A. That's my understanding, sir.

Q. 16.75%?

A. That is what we have, yes, sir.

Q. And who have they leased to?

A. Pocahontas Mining? It's my understanding
CNX.

Q. Okay. And the Mullins/Waldo folks have an
interest as well?

A. Yes, sir, they do.

Q. And what...what percentage is that?

A. 60.81%.

Q. And who have they leased to?

A. Appalachian Energy.

MARK SWARTZ: That's all I have.

BENNY WAMPLER: Call your next witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Taylor, you're familiar with the
application?

A. I am.

Q. And what's the total depth of the proposed

well?

A. 2,440 feet.

Q. What's the estimated production for this unit?

A. 1,126 million cubic feet.

Q. Did you assist in the preparation or direct the preparation of the estimated well cost exhibit?

A. I did.

Q. And you signed that for us?

A. Yes.

Q. And as to the figures that are reflected on that exhibit, what's the estimated completed well costs?

A. \$413,275.

Q. And the dry hole costs?

A. \$176,750.

Q. Is there a charge for supervision?

A. There is.

Q. And in your opinion, would the granting of this application promote conservation, correlative rights and prevent waste?

A. It would.

TIM SCOTT: That's all I have for Mr. Taylor.

BENNY WAMPLER: Any questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. You indicated, I think, in your testimony just now that you believe that granting this application would protect correlative rights, is that true?

A. I did.

Q. How so?

A. By the gas in that 80 acre unit being developed.

Q. When is it going to be developed?

TOM MULLINS: That involves a permitting issue. This is just a force pooling application. I object to the question.

BENNY WAMPLER: Overruled. I think it's relevant to what he's getting at as far as correlative rights.

A. In part of O-7 or O-8 drilling program.

Q. O-7 is like two months away, right?

A. Yes, sir.

Q. Okay. Can you be more specific than giving us a two year window?

TOM MULLINS: Objection. That gets into

proprietary information concerning the development plan of GeoMet Operating.

BENNY WAMPLER: Sustained.

Q. How are you going to develop this gas to protect correlative rights?

A. Could you clarify that for me a little bit?

Q. Well, how are you going to get it out of the ground?

A. Just as any other coalbed methane well, drill it, stimulate it and produce it.

Q. Okay. And is...would you agree that it would be...it would not be a protection of correlative rights for the Board to approve a pooling application which essentially put development on hold for two years if it was a known fact that the operator could not drill the well?

TOM MULLINS: Objection. We're getting back into the same issue we got back into yesterday at the beginning. That is a permitting issue and not a force pooling application issue.

BENNY WAMPLER: I'm going to overrule that and let him answer the question from the standpoint of correlative rights here.

A. Just one minute.

BENNY WAMPLER: Sure.

DONNIE RATLIFF: Mr. Wampler---.

MARK SWARTZ: You know, I really...I think that witnesses should not be given answers by their attorneys during these hearings. I think once a witness is asked a question it ought to be up to him to answer it. I mean, I'm sorry---.

TOM MULLINS: There's no indication that I'm supplying answers and I object to the characterization.

MARK SWARTZ: Well, you don't need to be talking to him before he answers.

BENNY WAMPLER: Well, you know, we're not...we're not operating under the strict rules of Courts. We're operating if he...I don't have a problem if he asks an attorney just to decide...I've not had problems when Les have asked you something before he has answered or others. So, you know, if the attorney were answering, that would be a different matter. But I have instructed you to answer the...answer the question to the best of your ability.

A. Without asking a question of my attorney for advice?

BENNY WAMPLER: You can ask your attorney a question.

(Mr. Taylor confers with Mr. Mullins.)

A. Based on the underlying the leases on the

Rogers' property, we feel confident that we have the right to develop this coalbed methane plane.

Q. My question was, would you agree with me that if this Board pooled the unit, which took the acreage out of play for two years, and appointed an operator to operate the pooled you, who couldn't drill the well that that would not be a protection of correlative rights?

A. I wouldn't---.

TOM MULLINS: Objection. That question is based on speculation.

BENNY WAMPLER: I sustain that. Mr. Mason, are you going to---?

MARK SWARTZ: I'm not done.

BENNY WAMPLER: Oh, I'm sorry.

GEORGE MASON: I had just...I wanted to join in the objections opposed by Mr. Mullins, and also what we discussed yesterday during this proceeding, was that in the past the Board has approved compulsory pooling units by CNX when we, as a coal owner, LBR Holdings had objected in an informal fact-finding conference based on the 2500 foot rule. That proceeds separately with a permit application and then does the force pooling. They don't overlap. So, in that incidence, the Board granted in its June hearing the compulsory pooling applications of CNX even though that it

may sterilized that...those units for the next two years if they can't get those units developed.

BENNY WAMPLER: Your objection is noted.

GEORGE MASON: Thank you.

BENNY WAMPLER: I overruled the objection earlier and allowed the information to come in. Mr. Swartz?

MARK SWARTZ: I would like to mark a proffer so that I have a competed record as to where I was going and it will only take a moment.

BENNY WAMPLER: Okay.

MARK SWARTZ: This Board decided a case that GeoMet appealed from a decision that Mr. Wilson had made with regard to the lineup of contestants here. It was a permit application filed by GeoMet on a Rogers'...on Rogers' acreage and the objection in front of Mr. Wilson was that they liked a consent to stimulate. That the statute required you to tender one with your permit application. Mr. Wilson denied the permit. It was appealed to this Board. This Board made a decision on that, which, I think, was made over the summer, but the order was entered on September the 19th, 2006 and the Board affirmed Mr. Wilson's decision. In its order, the Board concluded that...and stated that the Rogers' coal lessee had the right to consent. That there had been nothing reserved to the Rogers

and it was clearly...and that was a finding in your decision. Everyone of...and that has now been appealed, although I don't think service has been accomplished, but I have a copy of the appeal papers from your decision being appealed to the Circuit Court in Grundy.

Where...the proffer that I'm making and where I am coming from is if this operator cannot drill these wells, I'm not raising some permit issue or trying to deny them a permit. I mean, you've already had this issue. You know this in your peripheral vision and you can't block it out. And every one of the applications here, every one of them, the well is located, including this one, but I mean everyone, the well is located on Rogers' coal. So, you have already determined in the decision that the consent lies with the coal lessee, who be Island Creek, that, in effect, they can't submit a completed permit application and essentially they're pooling thirty some units in these two days that they can't drill on. So, that's my proffer.

Then coming back to the issue that I'm trying to raise, I think the correlative rights, which certainly is in your purview, is the protection of people who...in the general sort of sense, the protection of people who own gas in a unit and my point is if you are inadvertently or accidentally, you know, approving an application and

appointing an operator that takes the acreage out of play essentially for two years and you know that as a body---.

TOM MULLINS: Objection. We've gone beyond an evidentiary proffer and now we're into argument.

MARK SWARTZ: And that's...but that is my proffer and that's why I think it's relevant. Now, I'm getting an objection---.

BENNY WAMPLER: I'm going to overrule and let him state what he stated. I certainly...when you say you know that, I can tell you that may have based our...I'm going to interrupt you and say we based our last decision based on the evidence before this Board. We've based these decision in the last...yesterday and today based on the evidence before the Board.

MARK SWARTZ: Right. And what I'm saying is, I believe that I can proffer and have tried to proffer evidence in these hearings that would again demonstrate to the Board that they have absolutely no capacity, without the cooperation of Island Creek, to drill any of these wells. In effect, they are taking this acreage---.

TOM MULLINS: Objection to him testifying.

MARK SWARTZ: No, if I were allowed to offer this evidence---.

BENNY WAMPLER: I'm going to overrule.

MARK SWARTZ: ---they're taking this acreage out of play. That's my proffer, you know, instead of...because I'm getting objections and sustained and want to make a record so that later, you know, if there is a later, people know that I really had this on my screen at this point in time. So, that's where I'm coming from. I understand you're sustaining the objection and I'm done with those questions, but that's where I was added.

BENNY WAMPLER: Okay.

TOM MULLINS: The Board won't consider that as evidence, I assume, since it was made in the form of a proffer?

BENNY WAMPLER: It was a proffer.

TOM MULLINS: Okay.

BENNY WAMPLER: Do you have anything further?

TIM SCOTT: No, sir.

BENNY WAMPLER: Is there a motion?

DONNIE RATLIFF: Motion to approve, Mr. Chairman.

BENNY WAMPLER: Motion for approval.

BILL HARRIS: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval. Did you have any other priorities on here?

TIM SCOTT: No, sir.

BENNY WAMPLER: I'm going to go right back then to pick up where we where and that would be thirty-eight. A petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit A-41, docket number VGOB-06-1114-1794. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

TOM MULLINS: Tom Mullins with the Street Law Firm representing GeoMet.

JEFF TAYLOR: Jeff Taylor for GeoMet.

TIM SCOTT: Tim Scott with McKinnis & Scott representing GeoMet.

DON PATTON: Don Patton with GeoMet.

GEORGE MASON: George Mason representing LBR Holdings, LLC.

ERTIL WHITT: Ertel Whitt representing LBR Holdings.

MARK SWARTZ: Mark Swartz and Les Arrington on behalf of CNX.

BENNY WAMPLER: You may proceed. There are no others.

TIM SCOTT: Thank you, sir. If the...if it's okay with the Board, we'll incorporate my reference testimony regarding employment, job description, authorization to conduct business, the bond on file and the address for notices with regard to elections in the order.

BENNY WAMPLER: That will be incorporated.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, how many acres are in this unit?

A. 80 acres, sir.

Q. It's in the Oakwood Field?

A. Yes, sir, it is.

Q. And what is its unit designation?

A. A-41.

Q. Does GeoMet have drilling rights in this unit?

A. Yes, sir, it does.

Q. Are we going to dismiss anybody today?

A. No, sir.

Q. What percentage of the coal estate does GeoMet have under lease?

A. 65.37%.

Q. And the oil and gas estate?

A. 49.0275.

Q. How did the respondents listed on Exhibit B-3 receive notice of this hearing?

A. There's two methods, sir. The first was by a certified letter, return receipt requested and the other was by publication in the Bluefield Daily Telegraph.

Q. Are there any unknown or unlocateables in this unit?

A. No, sir.

Q. Have you filed the proofs of mailing and affidavit of publication with the Board?

A. Yes, sir, we have.

Q. As to the drilling rights, again, state what the percentage of the coal estate is under lease to GeoMet?

A. 65.37%.

Q. And the oil and gas estate?

A. 49.0275.

Q. What percentage of the oil and gas estate are you seeking to pool?

A. 50.9725.

Q. And the coal estate?

A. 34.63.

Q. Do we have the Rogers' Cousins in this unit?

A. Yes, sir, we do.

Q. And what tract is affected by that?

A. It's Tract Number One.

Q. And what's the percentage?

A. The percentage is 16.3425%.

Q. And this is an interest in conflict, is that right?

A. I'm sorry, sir?

Q. An interest in conflict?

A. Yes, sir.

Q. Has an Exhibit E been submitted with the application---

A. Yes, sir.

Q. ---which sets forth these interests?

A. Yes, sir.

Q. Okay. Are you requesting the Board to pool the unleased parties on Exhibit B-3?

A. Yes, sir.

Q. And are you requesting that GeoMet be named

the operator

A. Yes, sir, we are.

TIM SCOTT: Okay. That's all I have for Mr. Patton.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Do you agree that Pocahontas Mining has 34.63% of the coalbed methane in this unit?

A. That's my understanding, sir.

Q. And that that...there interest is leased to CNX?

A. That's also my understanding, sir.

MARK SWARTZ: That's all I have.

BENNY WAMPLER: Thank you. Call your next witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Taylor, are you familiar with the

application?

A. I am.

Q. And what's the proposed well depth?

A. 2,520 feet.

Q. What's the estimated production from this unit?

A. 1,044 million cubic feet.

Q. Did you assist or direct the preparation of the estimated well cost exhibit?

A. I did.

Q. And you signed that, of course?

A. I did.

Q. As to the figures that are reflected on that exhibit, what's the estimated completed well costs?

A. \$414,975.

Q. And the dry hole costs?

A. \$178,750.

Q. Does the estimated well cost exhibit include a reasonable charge for supervision?

A. It does.

Q. In your opinion, would the granting of this application promote conservation, prevent waste and protect correlative rights?

A. It would.

TIM SCOTT: That's all I have for Mr. Taylor.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: Nothing.

BENNY WAMPLER: Thank you. Do you have anything further?

TIM SCOTT: No, sir.

BENNY WAMPLER: Is there a motion?

PEGGY BARBAR: Motion to approve.

BILL HARRIS: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval. Next is a petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit B-40, docket number VGOB-06-1114-1795. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

JEFF TAYLOR: Jeff Taylor with GeoMet.

TOM MULLINS: Tom Mullins with the Street Law Firm
representing GeoMet.

TIM SCOTT: Tim Scott with McKinnis & Scott
representing GeoMet.

DON PATTON: Don Patton with GeoMet.

GEORGE MASON: George Mason representing LBR
Holdings, LLC.

ERTIL WHITT: Ertel Whitt, LBR Holdings.

MARK SWARTZ: Mark Swartz and Les Arrington on
behalf of CNX.

BENNY WAMPLER: Thank you. Let the record show no
others. You may proceed.

TIM SCOTT: Thank you, sir. We'll ask that the
testimony regarding the job description, employment,
authorization to conduct business in the Commonwealth, the
bond on file and the address for elections and any matters
regarding the order be incorporated by reference.

BENNY WAMPLER: That will be incorporated.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Are you familiar with this application, Mr.

Patton?

A. Yes, sir, I am.

Q. How many units...how many acres do we have in this unit?

A. We have 80 acres in this proposed unit, sir.

Q. And what's the unit designation in the Oakwood Field?

A. B-40.

Q. Does GeoMet have drilling rights in this unit?

A. Yes, sir, it does.

Q. Are we going to dismiss any parties respondent today?

A. No, sir.

Q. As to the leasehold estate, what percentage of the coal lease is...the coal estate is under lease to GeoMet?

A. 15.47%.

Q. And the oil and gas estate?

A. 11.6025%.

Q. How was notice accomplished for this hearing?

A. By two methods, sir. The first was by

certified letter, return receipt requested and the second means was by publication in the Bluefield Daily Telegraph.

Q. Are there any unknown or unlocateable parties in this unit?

A. No, sir, there is not.

Q. Have you filed proofs of publication and certification of mailing with the Board?

A. Yes, sir, we have.

Q. As to the drilling rights, again, what's the percentage of the coal estate under lease?

A. 15.47.

Q. And the oil and gas estate?

A. It's 11.6025.

Q. What percentage of the oil and gas estate are you seeking to pool?

A. 88.3975.

Q. And in the coal estate?

A. 84.53%.

Q. Do we have an escrow requirement for this unit?

A. Yes, sir, we will.

Q. And what unit...what tract is affected?

A. It will be...Tract Number 1 is affected, again, by the Rogers' Cousins. That percentage is 3.8675%.

Q. Okay. Again, we have no unknown parties in this one, right?

A. That's is correct, sir.

Q. Have you submitted an Exhibit E which sets forth these interests?

A. Yes, sir, we have.

Q. That was submitted with the application?

A. Absolutely. Yes, sir.

Q. Okay. Are you requesting the Board to pool the unleased parties on Exhibit B-3?

A. Yes, sir, we are.

Q. And that GeoMet be named operator?

A. Yes, sir.

TIM SCOTT: Okay. That's all I have for Mr. Patton.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. PMC has 85...84.53% interest in this unit, right?

A. That's my understanding, sir.

Q. And that interest is leased to CNX?

A. That's also my understanding, sir.

MARK SWARTZ: That's all I have.

BENNY WAMPLER: Thank you.

BENNY WAMPLER: Call your next witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Taylor---?

A. Yes, sir.

Q. ---are you familiar with this application?

A. I am.

Q. And what is the total depth of the proposed well?

A. 2,480 feet.

Q. What's the estimated production from this unit?

A. 1,085 million cubic feet.

Q. Did you assist or direct the preparation of the estimated well cost exhibit?

A. I did.

Q. And was that signed by you and submitted to

the Board?

A. It was.

Q. As to the figures reflected on that exhibit, what's the estimated completed well costs?

A. \$415,275.

Q. And the dry hole costs?

A. \$178,750.

Q. Is there a charge for supervision on the exhibit?

A. There is.

Q. And in your opinion, would the granting of this application promote conservation, prevent waste and protect correlative rights?

A. It would.

TIM SCOTT: That's all I have for Mr. Taylor.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: No.

BENNY WAMPLER: Do you have anything further?

TIM SCOTT: No, sir.

BENNY WAMPLER: Is there a motion?

DONNIE RATLIFF: Motion to approve, Mr. Chairman.

BILL HARRIS: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying
yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval.

TIM SCOTT: Thank you.

BENNY WAMPLER: Next is a petition from GeoMet
Operating Company for pooling of coalbed methane unit A-40,
docket number VGOB-06-1114-1796. We'd ask the parties that
wish to address the Board in this matter to come forward at
this time.

TOM MULLINS: Tom Mullins with the Street Law Firm
representing GeoMet.

JEFF TAYLOR: Jeff Taylor with GeoMet.

TIM SCOTT: Tim Scott with McKinnis & Scott
representing GeoMet.

DON PATTON: Don Patton with GeoMet.

GEORGE MASON: George Mason representing LBR
Holdings, LLC.

ERTIL WHITT: Ertil Whitt, LBR Holdings.

MARK SWARTZ: Mark Swartz and Les Arrington on behalf of CNX.

BENNY WAMPLER: The record will show no others. You may proceed.

TIM SCOTT: Thank you, sir. We'd ask that the testimony regarding employment, job description, authorization to conduct business in the Commonwealth, the bond filing, as well as the address for sending notices or responses to election letters and the order be incorporated by reference.

BENNY WAMPLER: That will be incorporated.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, are you familiar with this application?

A. Yes, sir, I am.

Q. And is it located in the Oakwood Field?

A. Yes, sir, it is.

Q. How many acres do we have?

A. We have 80 acres in the proposed unit, sir.

Q. And what is the...what's the unit designation?

A. A-40.

Q. What...do they have drilling rights...does GeoMet have drilling in this unit?

A. Yes, sir, it does.

Q. Are we going to dismiss any parties today?

A. No, sir.

Q. What percentage of the coal estate is under lease to GeoMet?

A. The coal estate is 76.98%.

Q. And the oil and gas estate?

A. 66.49%.

Q. How was notice provided that this hearing was going to take place?

A. By two methods, sir. The first was by certified letter, return receipt requested. The second was by publication in the Bluefield Daily Telegraph.

Q. Do we have any unknown or unlocateable parties in this unit?

A. No, sir.

Q. Okay. Have you filed proofs of publication and the affidavit of mailing with the Board?

A. Yes, sir, we have.

Q. Okay. As to the interest again, what is the percentage of the coal estate under lease to GeoMet?

A. 76.98%.

Q. And the oil and gas estate?

A. 66.49%.

Q. What percentage of the oil and gas estate are you seeking to pool?

A. 33.51%.

Q. And the coal estate?

A. 23.02%.

Q. Do we have an escrow requirement here?

A. Yes, sir, we will.

Q. And which...which tracts are involved?

A. We have two tracts. They both involve what's known as the Rogers' Cousins. The first tract is Tract Number 2 and that interest is 2.22%. The second tract is Tract Number 4 and that interest is 8.27%.

Q. And we have...we don't have any unknowns that would be reflected there, right?

A. That's correct, sir.

Q. Has an Exhibit E been submitted with the application?

A. Yes, sir, it has.

Q. Are you requesting the Board to pool the unleased parties listed on Exhibit B-3?

A. That's is our request, sir.

Q. And that GeoMet be named operator?

A. That is also our request, sir.

TIM SCOTT: That's all the questions I'd have for Mr. Patton.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Pocahontas Mining has a 23.02% in this unit?

A. You said 23.02, Mark?

Q. Yes.

A. Yes, sir, that's my understanding.

Q. And it's leased to CNX?

A. That's also my understanding, sir.

MARK SWARTZ: That's all I have.

BENNY WAMPLER: Thank you. Call your next witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Taylor, are you familiar with this application?

A. I am.

Q. And as to this particular well, what is the total depth of the proposed well?

A. 2,360 feet.

Q. And what's the estimated production from this unit?

A. \$409,17---.

Q. The production?

A. I'm sorry. I apologize.

Q. That's all right.

A. 1,065 million cubic feet.

Q. Did you assist or direct the preparation of the estimated well cost exhibit?

A. I did.

Q. And was that signed by you?

A. It was.

Q. And submitted to the Board, correct?

A. Yes.

Q. As to the figures that are reflected on that exhibit, what's the estimated completed well costs?

A. \$409,175.

Q. And the dry hole costs?

A. \$172,750.

Q. Does the estimated well costs exhibit include a reasonable charge for supervision?

A. It does.

Q. And in your opinion, would the granting of this application promote conservation, prevent waste and protect correlative rights?

A. It would.

TIM SCOTT: That's all I have for Mr. Taylor.

BENNY WAMPLER: Questions from members of the Board?

BILL HARRIS: Mr. Chairman, just a quick question.

BENNY WAMPLER: Mr. Harris?

BILL HARRIS: Just one of the line items on your estimated well cost. I've seen this before, but I just wondered about it.

JEFF TAYLOR: Yes.

BILL HARRIS: Down toward the bottom, SCADA system...SCADA or SCATA or whatever.

JEFF TAYLOR: SCADA. It's the anonym for supervised recontroll and data acquisition. What that consists of is electronic flow meters and meter runs. That's where all of our gas volumes that come out of the

well bore are tallied. And---.

BILL HARRIS: So, this sits on the surface rather than---?

JEFF TAYLOR: It sits on the surface, yes. The radio communication to get it back to our field office and various things of that nature. Other operators won't put that in there.

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: Nothing.

BENNY WAMPLER: Do you have anything further?

TIM SCOTT: No, sir.

BENNY WAMPLER: Is there a motion?

PEGGY BARBAR: Motion to approve.

BENNY WAMPLER: Motion to approve. Is there a second?

BILL HARRIS: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval. Next is a

petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit B-39. This is docket number VGOB-06-1114-1797. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

JEFF TAYLOR: Jeff Taylor with GeoMet.

TOM MULLINS: Tom Mullins with the Street Law Firm representing GeoMet.

TIM SCOTT: Tim Scott with McKinnis & Scott representing GeoMet.

DON PATTON: Don Patton with GeoMet.

GEORGE MASON: George Mason representing LBR Holdings, LLC.

ERTIL WHITT: Ertel Whitt, LBR Holdings.

MARK SWARTZ: Mark Swartz and Les Arrington on behalf of CNX.

BENNY WAMPLER: The record show will show no others. You may proceed.

TIM SCOTT: Thank you, sir. We'll ask that the prior testimony be incorporated by reference regarding job description, employment, authorization to conduct business in the Commonwealth, the bond on file, as well as the address for sending any responses to election letters, as well as those...anything regarding the order.

BENNY WAMPLER: That will be incorporated.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, are you familiar with this application?

A. Yes, sir, I am.

Q. And is it in the Oakwood Field?

A. Yes, sir, it is.

Q. What's the unit designation?

A. The unit designation for this proposed 80 acre unit is B-39.

Q. And you said 80 acres, is that right?

A. That is correct, sir.

Q. Does GeoMet have drilling rights in this unit?

A. Yes, sir, it does.

Q. And are we going to dismiss any parties respondent today?

A. No, sir, we're not.

Q. What percentage of the coal estate does GeoMet have under lease?

A. 92.18%.

Q. And the oil and gas estate?

A. 79.3275%.

Q. How did parties receive notice of this hearing?

A. There was two methods, sir. The first was via certified letter, return receipt requested. The second method was by publication in the Bluefield Daily Telegraph.

Q. All right. Do we have any unknown or unlocateable parties in this unit?

A. No, sir.

Q. Have you filed proofs of mailing and affidavit of publication with the Board?

A. Yes, sir, we have.

Q. As to the drilling rights again, what is... again, is the percentage of the coal estate under lease?

A. 92.18%.

Q. And the oil and gas estate?

A. 79.3275%.

Q. What percentage of the oil and gas estate are you seeking to pool?

A. 20.6725%.

Q. And the coal estate?

A. 7.82%.

Q. Is there an escrow requirement for this unit?

A. Yes, sir.

Q. And what tract does that involve?

A. Again, we have the Rogers' Cousins involved in Tract Number 3. Their interest is 12.8525%.

Q. Okay. And we have no requirement for escrow for unknown parties, is that right?

A. That is correct, sir.

Q. Okay. Have you submitted an Exhibit which reflects the requirement for the escrow?

A. Yes, sir.

Q. And you're requesting the Board to pool the unleased parties on Exhibit B-3?

A. That is correct, sir.

Q. And you're also requesting that GeoMet be named as operator?

A. That is our request, sir.

TIM SCOTT: That's all I have for Mr. Patton.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Pocahontas Mining has 7.82%?

A. That's my understanding, sir.

Q. They've leased it to CNX?

A. That's also my understanding, sir.

MARK SWARTZ: That's all I have.

BENNY WAMPLER: Thank you. Do you have anything further?

TIM SCOTT: No, sir.

BENNY WAMPLER: Call your next witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Taylor, are you familiar with the application?

A. I am.

Q. And what is the total depth of the proposed well?

A. 2,420 feet.

Q. What's the estimated production from this unit?

A. 1,106 million cubic feet.

Q. Did you assist or direct the preparation of the estimated well cost exhibit?

A. I did.

Q. You signed that and submitted it to the Board, is that right?

A. I did.

Q. Okay. As to those figures, what's the estimated completed well costs?

A. \$414,225.

Q. And the dry hole costs?

A. \$177,750.

Q. Does the estimated well cost exhibit include a charge for supervision?

A. It does.

Q. And in your opinion, would the granting of this application promote conservation, prevent waste and protect correlative rights of the parties in the unit?

A. It would.

TIM SCOTT: That's all I have for Mr. Taylor.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: Nothing.

BENNY WAMPLER: Is there anything further?

TIM SCOTT: No, sir.

BENNY WAMPLER: Is there a motion?

DONNIE RATLIFF: Motion to approve, Mr. Chairman.

BILL HARRIS: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying
yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval.

TIM SCOTT: Mr. Chairman, can I have just about
two minutes to get a glass of water?

BENNY WAMPLER: Yes, sir.

TIM SCOTT: Thank you.

BENNY WAMPLER: Okay. We've continued number
forty-two. So, we're at forty-three.

JEFF TAYLOR: Mr. Chairman, is it all right if
refer to our reserves in billion cubic feet? Actually
that's all how---.

PEGGY BARBAR: I wondered why you were saying---.

JEFF TAYLOR: It's everything---.

BENNY WAMPLER: That's fine.

JEFF TAYLOR: ---in all permits as far as being

mmcf or a million cubic feet. But it's...actually, what we have is, you know, 1. some odd billion---.

PEGGY BARBAR: 64 billion, yeah.

JEFF TAYLOR: ---cubic feet, yes.

BENNY WAMPLER: That will be fine.

JEFF TAYLOR: There was a little confusion in that yesterday maybe when I first spoke of billion is why I've been saying that thus far.

PEGGY BARBAR: I was figuring out how to write it in a number form.

JEFF TAYLOR: Huh?

PEGGY BARBAR: I was sitting here writing it in a number form. I kept thinking that's one billion.

BENNY WAMPLER: Next it is a petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit B-34, docket number VGOB-06-1114-1799. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

JEFF TAYLOR: Jeff Taylor with GeoMet.

TOM MULLINS: Tom Mullins with the Street Law Firm representing GeoMet.

TIM SCOTT: Tim Scott with McKinnis & Scott representing GeoMet.

DON PATTON: Don Patton for GeoMet.

GEORGE MASON: George Mason representing LBR Holdings, LLC.

ERTIL WHITT: Ertel Whitt, LBR Holdings.

MARK SWARTZ: Mark Swartz and Les Arrington on behalf of CNX.

BENNY WAMPLER: The record will show no others. You may proceed.

TIM SCOTT: Thank you, sir. As to this application and the testimony today, we'd ask that the testimony regarding job employment, job description, authorization to conduct business in the Commonwealth, the bond on file, as well as the address for sending notices be incorporated by reference.

BENNY WAMPLER: That will be incorporated.

TIM SCOTT: Thank you, sir.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, are you familiar with this application?

A. Yes, sir, I am.

Q. And how many acres do we have here?

A. We have 80 acres in this proposed unit,

sir.

Q. And what's the unit designation?

A. B-34.

Q. And does GeoMet have drilling rights in this unit?

A. Yes, sir, it does.

Q. Are there any respondents that we're going to dismiss today?

A. No, sir.

Q. What percentage of the coal estate does GeoMet have under lease?

A. 96.71%.

Q. And the oil and gas estate?

A. 92.7575%.

Q. How was notice provided to the respondents listed on Exhibit B-3?

A. By two methods, sir. The first was by certified letter, return receipt requested. The second was by publication in the Bluefield Daily Telegraph.

Q. Do we have an unknown or unlocateable in this unit?

A. No, sir.

Q. Have you filed the proofs of mailing and affidavit of publication with the Board?

A. Yes, sir, we have.

Q. As to the interest both leased and unleased, what percentage of the coal estate does GeoMet have under lease?

A. 96.71.

Q. And, again, the oil and gas estate?

A. 92.7575%.

Q. What percentage of the oil and gas estate are you seeking to pool?

A. 7.2425.

Q. And the coal estate?

A. 3.29.

Q. With regard to this unit, is there going to be an escrow requirement?

A. Yes, sir.

Q. And what tracts are affected by the escrow?

A. Basically, again, we have the Rogers' Cousins involved here, Tract Number 3 is 3.8225% and Tract Number 4 is .13%.

Q. Okay. Has an Exhibit E, which reflects these interest been submitted to the Board with the application?

A. Yes, sir.

Q. Okay. Are you requesting the Board to pool

any unleased parties listed on Exhibit B-3?

A. That is correct, sir.

Q. And are you also requesting that GeoMet be designated operator for this unit?

A. Yes, sir, that is also our request.

TIM SCOTT: That's all I have for Mr. Patton.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: I'm sorry, I've lost track.

BENNY WAMPLER: That's okay. B-34.

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. The PMC interest in this unit is...the Ritter interest in this unit is what?

A. It's my understanding it's 3.29%, sir.

Q. And do you understand that that's leased to CNX as well?

A. Yes, sir, that's my understanding.

MARK SWARTZ: That's all I have.

BENNY WAMPLER: Thank you. Call your next witness.

TIM SCOTT: Okay.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Taylor, are you familiar with this application?

A. I am.

Q. And what's the proposed depth of this well?

A. 1,940 feet.

Q. What are the estimated...what's the estimated production from this unit?

A. 1.065 billion cubic feet.

Q. Okay. Did you assist in the preparation or direct the preparation of the estimated well cost exhibit?

A. I did.

Q. And did you sign that?

A. I did.

Q. Okay. As to that exhibit, what is the estimated completed well cost?

A. \$374,075.

Q. And the dry hole cost?

A. \$146,650.

Q. Is there a reasonable charge for

supervision reflected on that exhibit?

A. There is.

Q. And in your opinion, would the granting of this application promote conservation, prevent waste and protect correlative rights?

A. It would.

TIM SCOTT: That's all I have for Mr. Taylor.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: I have nothing.

BENNY WAMPLER: Thank you. Do you have anything?

TIM SCOTT: No, sir.

BENNY WAMPLER: Is there a motion?

PEGGY BARBAR: Motion to approve.

BILL HARRIS: Second.

BENNY WAMPLER: Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval. We continued forty-four and forty-five. We're at forty-six. A petition from GeoMet Operating Company, Inc. for pooling of coalbed methane unit E-33. This is docket number VGOB-06-1114-1802. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

JEFF TAYLOR: Jeff Taylor with GeoMet.

TOM MULLINS: Tom Mullins with the Street Law Firm representing GeoMet.

TIM SCOTT: Tim Scott with McKinnis & Scott representing GeoMet.

DON PATTON: Don Patton with GeoMet.

GEORGE MASON: George Mason representing LBR Holdings, LLC.

ERTIL WHITT: Ertel Whitt, LBR Holdings.

MARK SWARTZ: Mark Swartz and Les Arrington on behalf of CNX.

BENNY WAMPLER: Thank you. The record will show no others. You may proceed.

TIM SCOTT: Thank you, sir. We'd ask that the testimony regarding employment, job description and authorization to conduct business, the bond and the address to which notices should be sent to be incorporated by reference.

BENNY WAMPLER: That will be incorporated.

TIM SCOTT: Thank you, sir.

DONALD PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, are you familiar with this application?

A. Yes, sir, I am.

Q. How many acres are embraced by this unit?

A. There's 80 acres in the proposed unit, sir.

Q. What's the unit designation in this field?

A. E-33.

Q. Does GeoMet have drilling rights in this unit?

A. Yes, sir, it does.

Q. Are we going to dismiss any parties respondent today?

A. No, sir.

Q. What percentage of the coal estate does GeoMet have under lease?

A. 98.86%.

Q. And the oil and gas estate?

A. 97.7775%.

Q. How as notice provided to the parties listed on Exhibit B-3?

A. By two methods, sir. The first was by certified mail letter, return receipt requested. The second was a publication in the Bluefield Daily Telegraph.

Q. Have you provided or filed proofs of publication and notice or proof of mailing to the Board?

A. Yes, sir.

Q. Do we have any unknown or unlocateable owners in this unit?

A. No, sir.

Q. Okay. As to the leasehold interest here, again, what is the percentage of the coal estate under lease?

A. 98.86.

Q. And the oil and gas estate under lease to GeoMet?

A. 97.7775.

Q. What percentage of the oil and gas estate is GeoMet seeking to pool?

A. 2.2225%.

Q. And the percentage of the coal estate?

A. 1.14%.

Q. As to the Rogers' Cousins, do we have an

escrow requirement for this unit?

A. Yes, sir. They're involved in this unit also.

Q. And which tract is affected?

A. Tract Number 3 in this particular unit.

Q. What's the percentage?

A. 1.0825%.

Q. And I think you testified that we have no unknowns, is that correct?

A. That is correct.

Q. Has an Exhibit E been submitted with the application reflecting these interests?

A. It has, sir.

Q. Are you requesting the Board to pool the unleased parties listed on Exhibit B-3?

A. Yes, sir, we are.

Q. And that GeoMet be named operator for this unit?

A. Yes, sir.

TIM SCOTT: That's all I have for Mr. Patton.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

MARK SWARTZ: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. C. L. Ritter has 1.14%?

A. That's my understanding, sir.

Q. Leased to CNX?

A. That's also my understanding, sir.

MARK SWARTZ: That's all I have.

BENNY WAMPLER: Thank you. Call your next witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Taylor, are you familiar with this application?

A. I am.

Q. What's the total depth of the proposed well?

A. 1,920 feet.

Q. And what's the estimated production from this unit?

A. 1.116 bcf.

Q. An estimated well cost exhibit was

submitted with the application, did you assist or direct the preparation of that exhibit?

A. I did.

Q. Did you sign that exhibit?

A. I did.

Q. As to the costs reflected on that exhibit, what's the estimated completed well costs?

A. \$387,475.

Q. And the dry hole costs?

A. \$160,050.

Q. Does this estimated well cost exhibit include a charge for supervision?

A. It does.

Q. In your opinion, would the granting of this application be in the best interest of conservation, protect correlative rights and prevent waste?

A. It would.

TIM SCOTT: That's all I have for Mr. Taylor.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: Nothing.

BENNY WAMPLER: Do you have anything further?

TIM SCOTT: No, sir.

BENNY WAMPLER: Is there a motion?

DONNIE RATLIFF: Motion to approve, Mr. Chairman.

BILL HARRIS AND PEGGY BARBAR: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying
yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval. Next is a
petition from GeoMet Operating Company, Inc. for pooling of
coalbed methane unit D-33, docket number VGOB-06-1114-1803.
We'd ask the parties that wish to address the Board in this
matter to come forward at this time.

JEFF TAYLOR: Jeff Taylor with GeoMet.

TIM SCOTT: Tim Scott with McKinnis & Scott
representing GeoMet.

DON PATTON: Don Patton with GeoMet.

GEORGE MASON: George Mason representing LBR
Holdings, LLC.

ERTIL WHITT: Ertel Whitt, LBR Holdings.

MARK SWARTZ: Mark Swartz and Les Arrington on

behalf of CNX.

JEFF TAYLOR: Tom Mullins with GeoMet as well.

BENNY WAMPLER: The record will show no others.

You may proceed.

TIM SCOTT: Mr. Chairman, we'd ask that the testimony regarding job description, employment, authorization to conduct business, the bond on file, as well as the address for notices for any order that the Board may enter in this matter be incorporated by reference.

BENNY WAMPLER: That will be incorporated.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, are you familiar with this application?

A. Yes, sir, I am.

Q. How many acres are in this unit?

A. There's 80 acres in the proposed unit, sir.

Q. What's the unit designation in the Oakwood Field?

A. D-33.

Q. Does GeoMet have drilling rights in this unit?

A. Yes, sir, it does.

Q. Are we going to dismiss any parties from B-3 today?

A. No, sir. That's not our intention.

Q. What's the...what percentage of the coal estate is under lease to GeoMet?

A. 75.25%.

Q. And the oil and gas estate?

A. 70.2025%.

Q. How did the parties listed on Exhibit B-3 get notice of this hearing?

A. By two methods, sir. The first was by certified letter, return receipt requested and the other was by publication in the Bluefield Daily Telegraph.

Q. Do we have any unknown or unlocateable owners in this unit?

A. No, sir.

Q. Have you filed proofs of mailing and affidavit of publication with the Board?

A. Yes, sir.

Q. As to the leasehold interest, again, what percentage of the coal estate does GeoMet have under lease?

A. 75.25%.

Q. And the coal estate...the oil and gas

estate?

A. The oil and gas estate is 70.2025%.

Q. What percentage of the oil and gas estate is GeoMet seeking to pool?

A. 29.7975%.

Q. And the coal estate?

A. 24.75%.

Q. Do we have an escrow requirement for this unit?

A. Yes, sir, we will.

Q. And what tracts are involved?

A. Again, that involves the Rogers' Cousins. There's two tracts involved in this proposed unit. The first is Tract 2 at 2.0025% and the second is Tract 4 at 4.38%.

Q. And we don't have any unknowns in this unit, is that right?

A. That is correct.

Q. So, we don't have any Exhibit E for that?

A. No, we don't.

Q. Has Exhibit E been prepared and submitted with the application?

A. Yes, sir, it was.

Q. And are you requesting the Board to pool

the unleased parties listed on Exhibit B-3?

A. Yes, sir.

Q. Are you also requesting that GeoMet be designated as the operator?

A. Yes, sir, I am.

TIM SCOTT: That's all I have for Mr. Patton.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Mr. Patton, C. L. Ritter has 24.75% of the unit?

A. That's my understanding, sir.

Q. And they have leased their interest to CNX?

A. That is also my understanding, sir.

MARK SWARTZ: That's all I have.

BENNY WAMPLER: Call your next witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Okay. Mr. Taylor, are you familiar with this application?

A. I am.

Q. And what's the proposed depth for this well?

A. 1,850 feet.

Q. What's the estimated production from this unit?

A. 1.075 bcf.

Q. And as to the exhibit...the estimated well cost exhibit that was submitted with the application, did you assist or direct the preparation of that?

A. I did.

Q. Okay. Did you sign that exhibit?

A. I did.

Q. Okay. As to the figures that are reflected on that exhibit, what's the estimated completed well costs?

A. \$386,475.

Q. And the dry hole costs?

A. \$159,050.

Q. Is there a charge for supervision set forth on that exhibit?

A. There is.

Q. And in your opinion, would the granting of

this application promote conservation, prevent waste and protect correlative rights of the parties in the unit?

A. It would.

TIM SCOTT: That's all I have for Mr. Taylor.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: Nothing.

BENNY WAMPLER: Do you have anything further?

TIM SCOTT: No, sir.

BENNY WAMPLER: Is there a motion?

BILL HARRIS: Motion for approval.

PEGGY BARBAR: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval.

TIM SCOTT: Thank you.

BENNY WAMPLER: Next is a petition from GeoMet

Operating Company, Inc. for pooling of coalbed methane unit C-34. This is docket number VGOB-06-1114-1804. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

JEFF TAYLOR: Jeff Taylor with GeoMet.

TIM SCOTT: Tim Scott with McKinnis & Scott representing GeoMet.

DON PATTON: Don Patton with GeoMet.

GEORGE MASON: George Mason representing LBR Holdings, LLC.

ERTIL WHITT: Ertel Whitt, LBR Holdings.

MARK SWARTZ: Mark Swartz and Les Arrington on behalf of CNX.

BENNY WAMPLER: Thank you. You may proceed.

TIM SCOTT: Thank you, sir. We'd ask that the prior testimony regarding employment, job description, authorization to conduct business, the bond on file and the address for notices be incorporated by reference.

BENNY WAMPLER: That will be incorporated.

TIM SCOTT: Thank you, sir.

DONALD PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, are you familiar with this application?

A. Yes, sir, I am.

Q. How many acres are in this unit?

A. There's 80 acres in this proposed unit, sir.

Q. Is it located in the Oakwood Field?

A. Yes, sir, it is.

Q. And what's the unit designation?

A. C-34.

Q. Does GeoMet have drilling rights in this unit?

A. Yes, sir, it does.

Q. Are we going to dismiss any parties respondent on Exhibit B-3 today?

A. No, sir, we're not.

Q. What percentage of the coal estate does GeoMet have under lease?

A. 99.94%.

Q. And the oil and gas estate?

A. 99.3875%.

Q. How did the parties who are listed on Exhibit B-3 get notice of this hearing?

A. By two methods, sir. The first was by

certified letter, return receipt requested. The second was by publication in the Bluefield Daily Telegraph.

Q. Do we have any unknown or unlocateables in this unit?

A. No, sir.

Q. Have you filed proofs of publication and...or affidavit of publication and proof of mailing with the Board?

A. Yes, sir, we have.

Q. As to the drilling rights, the coal estate, how much of the coal estate does GeoMet have under lease?

A. Okay. It has 99.94%.

Q. And the oil and gas estate?

A. 99.3875%.

Q. What percentage of the oil and gas estate are you seeking to pool?

A. .6125%.

Q. And what percentage of the coal estate is GeoMet seeking to pool?

A. .06%.

Q. Do we have an escrow requirement for this unit?

A. Yes, sir, we will.

Q. And what tract is involved?

A. Again, that involves the Rogers' Cousins in Tract 2. Their percentage of interest is .5525%.

Q. Okay. Has an Exhibit E been prepared and submitted with this interest reflected thereon?

A. Yes, sir.

Q. Are you requesting that the Board pool the unleased parties listed on Exhibit B-3?

A. Yes, sir, that is our request.

Q. And are you requesting that GeoMet be named operator for this unit?

A. Yes, sir, please.

TIM SCOTT: That's all I have for Mr. Patton.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Mr. Patton, C. L. Ritter has a small interest in this unit?

A. That's my understanding, yes, sir.

Q. .06%?

A. That's also my understanding, sir.

Q. And do you understand that it's leased to
CNX?

A. Yes, sir.

MARK SWARTZ: That's all I have.

BENNY WAMPLER: Call your next witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Taylor, are you familiar with this
application?

A. I am.

Q. And what's the total depth of this proposed
well?

A. 2,120 feet.

Q. And what's the estimated production from
this unit?

A. 1.085 bcf.

Q. Did you assist in the preparation of the
estimated well costs?

A. I did, under my direction.

Q. Okay. And you signed that, is that
correct---?

A. I did.

Q. ---and submitted it to the Board? As to the figures that are reflected on that Exhibit, what's the estimated completed well costs?

A. \$394,575.

Q. What's the estimated dry hole costs?

A. \$164,050.

Q. Does the exhibit reflect a reasonable charge... charge for supervision?

A. It would.

Q. And in your opinion---?

A. It does.

Q. ---would the granting of this application protect correlative rights, promote conservation and prevent waste?

A. It does.

TIM SCOTT: That's all I have for Mr. Taylor.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: No.

BENNY WAMPLER: Do you have anything further?

TIM SCOTT: No, sir.

BENNY WAMPLER: Is there a motion?

PEGGY BARBAR: Motion to approve.

BILL HARRIS: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying
yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval.

TIM SCOTT: Thank you.

BENNY WAMPLER: Next is a...we're going to fifty-one now. A petition from GeoMet Operating Company for pooling of coalbed methane unit C-33, docket number VGOB-06-1114-1807. We'd ask the parties that wish to address the Board in this matter to come forward at this time.

JEFF TAYLOR: Jeff Taylor with GeoMet.

TIM SCOTT: Tim Scott with McKinnis & Scott
representing GeoMet.

DON PATTON: Don Patton with GeoMet.

GEORGE MASON: George Mason representing LBR
Holdings, LLC.

ERTIL WHITT: Ertil Whitt, LBR Holdings.

MARK SWARTZ: Mark Swartz and Les Arrington on behalf of CNX.

BENNY WAMPLER: The record will show no others. You may proceed.

TIM SCOTT: Thank you, sir. As to the testimony for this application, we would request that employment, job description, authorization to conduct business, the bond on file and the address regarding elections in the order be incorporated by reference.

BENNY WAMPLER: That will be incorporated.

TIM SCOTT: Thank you, sir.

BENNY WAMPLER: You may proceed.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, are you familiar with this application?

A. Yes, sir, I am.

Q. And how many acres do we have in this unit?

A. We have 80 acres in this proposed unit, sir.

Q. What's the unit designation?

A. C-33.

Q. In the Oakwood Field?

A. Yes, sir.

Q. Does GeoMet have drilling rights in this unit?

A. Yes, sir, it does.

Q. And are we going to dismiss any parties respondent today?

A. No, sir.

Q. What percentage of the unit of the coal estate does GeoMet have under lease?

A. 47.4%.

Q. And the oil and gas estate?

A. 39.61%.

Q. How was notice provided to the parties respondent?

A. By two methods, sir. The first was by a certified letter, return receipt requested. The second was by publication in the Bluefield Daily Telegraph.

Q. Have you provided the Board with proofs of mailing and affidavit of publication?

A. Yes, sir, we have.

Q. Are there any unknown or unlocateable parties in this unit?

A. No, sir.

Q. As to the leasehold interest again, what percentage of the coal estate does GeoMet have under lease?

A. 47.4%.

Q. And the oil and gas estate?

A. 39.61%.

Q. What percentage of the oil and gas estate is GeoMet seeking to pool?

A. 60.39%.

Q. And the coal estate?

A. 52.6%.

Q. With regard to this unit, is there an escrow requirement?

A. Yes, sir, there will be.

Q. And what tract is affected?

A. The Rogers' Cousins, again, are affected. The interest Tract Number 1 is 7.79%.

Q. Has an Exhibit E been provided reflecting this interest?

A. Yes, sir.

Q. Are you requesting the Board to pool the unleased parties listed on Exhibit B-3?

A. Yes, sir, we are.

Q. And are you also requesting that GeoMet be designated as operator for this unit?

A. Yes, sir.

TIM SCOTT: That's all I have for Mr. Patton.

BENNY WAMPLER: Questions from members of the
Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Mr. Patton, in this one, C. L. Ritter has
52.6%?

A. 52.6?

Q. Yes.

A. Yes, sir.

Q. And they have leased that, as you
understand it, to CNX?

A. It's my understanding, yes, sir.

TIM SCOTT: That's all I have.

BENNY WAMPLER: Call your next witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Taylor, are you familiar with this

application?

A. I am.

Q. And what is the total depth of the proposed well?

A. 2,330 feet.

Q. What's the estimated production from this unit?

A. 1.106 bcf.

Q. Did you assist in or direct the preparation of the estimated well cost exhibit?

A. I did.

Q. And you signed that and submitted it to the Board?

A. I did.

Q. As to that exhibit, what is the estimated completed well costs?

A. \$408,075.

Q. And the dry hole costs?

A. \$172,750.

Q. What...does the estimated well costs include a line item for supervision?

A. It does.

Q. And in your opinion, would the granting of this application promote conservation, prevent waste and

protect correlative rights?

A. It would.

TIM SCOTT: That's all I have for Mr. Taylor.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: No.

BENNY WAMPLER: Do you have anything further?

TIM SCOTT: No, sir.

BENNY WAMPLER: Is there a motion?

BILL HARRIS: I move do for approval.

PEGGY BARBAR: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval.

TIM SCOTT: Thank you.

BENNY WAMPLER: Number fifty-three. Next is a petition from GeoMet Operating Company, Inc. for pooling of

coalbed methane unit E-32, docket number VGOB-06-1114-1809.
We'd ask the parties that wish to address the Board in this
matter to come forward at this time.

JEFF TAYLOR: Jeff Taylor with GeoMet.

TIM SCOTT: Tim Scott with McKinnis & Scott
representing GeoMet.

DON PATTON: Don Patton with GeoMet.

GEORGE MASON: George Mason representing LBR
Holdings, LLC.

ERTIL WHITT: Ertel, LBR Holdings.

MARK SWARTZ: Mark Swartz and Les Arrington on
behalf of CNX.

BENNY WAMPLER: The record will show no others.
You may proceed.

TIM SCOTT: Thank you, sir. We'd ask that the
testimony regarding job description, employment,
authorization to conduct business, the bond and also the
address regarding notices as they affect the order or
elections be incorporated by reference.

BENNY WAMPLER: That will be incorporated.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, are you familiar with this application?

A. Yes, sir, I am.

Q. And how many acres are included in this unit?

A. 80 acres, sir.

Q. And is it in the Oakwood Field?

A. It is, sir.

Q. What its unit designation?

A. E-32.

Q. Does GeoMet have drilling rights in this unit?

A. Yes, sir, it does.

Q. Are we going to dismiss any parties respondent today?

A. No, sir.

Q. As to the interest under lease, what percentage of the coal estate is under lease to GeoMet?

A. 26.79%.

Q. And the oil and gas estate?

A. 24.6%.

Q. How did the parties receive...get notice of this hearing?

A. By two...two methods, sir. First was by

certified, return receipt requested. The other was by publication in the Bluefield Daily Telegraph.

Q. Are there any unknown or unlocateable parties in this unit?

A. No, sir.

Q. Have you filed the proofs of mailing and the affidavit of publication with the Board?

A. Yes, sir, we have.

Q. As to the drilling rights in the unit, what percentage of the coal estate does GeoMet have under lease?

A. Again, that's 26.79%.

Q. And the oil and gas estate?

A. 24.6%.

Q. What percentage of the oil and gas estate is GeoMet seeking to pool?

A. 75.4%.

Q. And the coal estate?

A. 73.21%.

Q. With regard to this unit, I assume we have an escrow requirement, which is the Rogers' Cousins, right?

A. We do have an escrow requirement, yes, sir.

Q. What are the tracts that will be affected by the escrow requirement?

A. Okay. The escrow requirement again, which

involves the Rogers' Cousin, there's two tracts involved in this particular unit. Tract 2, the Rogers' Cousins, would be 1.0075% and Tract 3, the Rogers' Cousins, would be 1.1825%.

Q. Okay. And we have...again, you stated earlier or testified earlier that we have no unknown parties, is that right?

A. That is correct, sir.

Q. Okay. Has an Exhibit B, which sets forth the interest in conflict been submitted to the Board?

A. Yes, sir.

Q. Okay. Are you requesting the Board to pool the unleased parties listed on B-3?

A. Yes, sir, we are.

Q. And you're also requesting that GeoMet be named operator for this unit?

A. Yes, sir, we are.

TIM SCOTT: That's all I have for Mr. Patton.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Mr. Patton, in this unit C. L. Ritter has 73.21%.

A. Yes, sir, it's my understanding.

Q. And your understanding is also that that's leased to CNX?

A. Yes.

TIM SCOTT: That's all I have.

BENNY WAMPLER: Call your next witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Taylor, are you familiar with this application?

A. I am.

Q. And as to the well depth, what is that going to be?

A. 1,720 feet.

Q. What's the estimated production from this unit?

A. 1.157 bcf.

Q. And did you assist or direct the preparation of the well cost exhibit?

A. I did.

Q. And you signed that?

A. Yes.

Q. Okay. As to that exhibit, what is the estimated completed well costs?

A. \$383,275.

Q. And the dry hole costs?

A. \$157,050.

Q. Does the estimated well cost exhibit include a charge for supervision?

A. It does.

Q. And in your opinion, would the granting of this application prevent...in the interest of conservation, prevent waste and protect correlative rights?

A. It would.

TIM SCOTT: That's all I have for Mr. Taylor.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

MARK SWARTZ: Mr. Swartz?

MARK SWARTZ: No.

BENNY WAMPLER: Do you have anything further?

TIM SCOTT: No, sir.

BENNY WAMPLER: Is there a motion?

DONNIE RATLIFF: Motion to approve, Mr. Chairman.

PEGGY BARBAR: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying
yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval. Next is a
petition from GeoMet Operating Company, Inc. for pooling of
coalbed methane unit D-32, docket number VGOB-06-1114-1810.
We'd ask the parties that wish to address the Board in this
matter to come forward at this time.

JEFF TAYLOR: Jeff Taylor with GeoMet.

TIM SCOTT: Tim Scott with McKinnis & Scott
representing GeoMet.

DON PATTON: Don Patton with GeoMet.

GEORGE MASON: George Mason representing LBR
Holdings, LLC.

ERTIL WHITT: Ertel Whitt, LBR Holdings.

MARK SWARTZ: Mark Swartz and Les Arrington on
behalf of CNX.

BENNY WAMPLER: The record will show no others.

You may proceed.

TIM SCOTT: Thank you, Mr. Chairman. As to this application, we'd request that prior testimony concerning job description, employment, authorization to conduct business, the bond on file, as well as the address for notifications be incorporated by reference.

BENNY WAMPLER: That will be incorporated.

TIM SCOTT: Thank you, sir.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, are you familiar with this application?

A. Yes, sir, I am.

Q. How many acres do we have in this unit?

A. We have 80 acres in this proposed unit, sir.

Q. Is it in the Oakwood Field?

A. Yes, sir, it is.

Q. What is the unit designation?

A. D-32.

Q. Does GeoMet have drilling rights in this unit?

A. Yes, sir.

Q. Are we going to dismiss anybody today?

A. No, sir.

Q. What percentage of the coal estate does GeoMet have under lease?

A. 47.11%.

Q. And the oil and gas estate?

A. 35.3325%.

Q. How did the parties receive notice that this hearing was going to take place?

A. It was by two methods, sir. The first was by certified letter, return receipt requested. The second was by publication in the Bluefield Daily Telegraph.

Q. Have you filed proofs of mailing and publication with the Board?

A. Yes, sir.

Q. Do we have an unknown or unlocateable parties in this unit?

A. No, sir.

Q. As to the interest under lease and sought to be pooled, what percentage of the coal estate does GeoMet have under lease?

A. 47.11.

Q. And the oil and gas estate?

A. 35.3325%.

Q. What percentage of the oil and gas estate is GeoMet seeking to pool?

A. 64.6675.

Q. And the coal estate?

A. 52.89%.

Q. With regard to this unit, do we have an escrow requirement?

A. Yes.

Q. Does that involve the Rogers' Cousins?

A. It does.

Q. Which tracts are affected?

A. There's two tracts involved in this one. Tract 1 and that would be a 9.8975% affected by the Rogers' Cousins and Tract 4 at 1.88%, also affected by the Rogers' Cousins.

Q. And, again, you testified we have no unknowns, is that correct?

A. That is correct, sir.

Q. Has an Exhibit B...E been submitted which sets forth the escrow requirement?

A. Exhibit E has been submitted, sir.

Q. Are you requesting the Board to pool the unleased parties listed on Exhibit B-3?

A. Yes, sir, we are.

Q. Are you asking that GeoMet be designated as operator for this unit?

A. That is correct, sir.

TIM SCOTT: That's all the questions that I have for Mr. Patton.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Mr. Patton, Ritter...C. L. Ritter has 52.89% of the unit?

A. That's my understanding, sir.

Q. And they have leased that interest as you understand it as well to CNX?

A. That is my understanding, sir, yes.

MARK SWARTZ: Nothing further.

BENNY WAMPLER: Call your next witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Taylor, are you familiar with this application?

A. I am.

Q. And what is the total depth of the proposed well?

A. 2,160 feet.

Q. And the estimated production from this unit?

A. 1.147 bcf.

Q. What's the...did you assist in the preparation of the estimated well cost exhibit?

A. I did, under my direction.

Q. And you signed that, of course?

A. I did.

Q. As that exhibit, what is the estimated completed well costs?

A. \$394,575.

Q. And the dry hole costs?

A. \$164,050.

Q. Does this exhibit include a charge for supervision?

A. It does.

Q. And in your opinion, would the granting of

this application promote conservation, prevent waste and protect correlative rights of the parties---?

A. It would.

TIM SCOTT: Okay. That's all I have for Mr. Taylor.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: No.

BENNY WAMPLER: Do you have anything further?

TIM SCOTT: No, sir.

BENNY WAMPLER: Is there a motion?

PEGGY BARBAR: Motion for approval.

BENNY WAMPLER: Is there a second?

BILL HARRIS: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval. The Board

members received the minutes of the October the 17th hearing. Are there any---?

DONNIE RATLIFF: I move to approve the meetings.

MARK SWARTZ: There's one left.

BENNY WAMPLER: I understand that.

MARK SWARTZ: Oh, okay. I'm sorry.

BENNY WAMPLER: I'm covering this first because I don't know if he has to go. I've got a motion to approve. Is there a second?

DONNIE RATLIFF: Second...I made the motion. Wait a minute, I can't do both.

BENNY WAMPLER: Is there a second?

BILL HARRIS AND PEGGY BARBAR: Second.

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval. Do you got time for one more, Mr. Ratliff?

DONNIE RATLIFF: Let's go. Yeah.

BENNY WAMPLER: All right. Lastly, is a petition from GeoMet Operating Company for pooling of coalbed methane unit B-32, docket number VGOB-06-1114-1813. We'd ask the

parties that wish to address the Board in this matter to come forward at this time. This is number fifty-seven.

JEFF TAYLOR: Jeff Taylor with GeoMet.

TIM SCOTT: Tim Scott with McKinnis & Scott representing GeoMet.

DON PATTON: Don Patton with GeoMet.

GEORGE MASON: George Mason representing LBR Holdings, LLC.

ERTIL WHITT: Ertel Whitt, LBR Holdings.

MARK SWARTZ: Mark Swartz and Les Arrington on behalf of CNX.

BENNY WAMPLER: Thank you. There are no others. You may proceed.

TIM SCOTT: Thank you, sir. We'd ask that the prior testimony concerning job description, employment, authorization to conduct business, bond on file, as well as the address for notification be incorporated by reference.

BENNY WAMPLER: That will be incorporated.

DON PATTON

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Patton, are you familiar with this application?

A. Yes, sir, I am.

Q. And is it in the Oakwood Field?

A. It is, sir.

Q. How many acres does it have?

A. It's 80 acres, sir.

Q. What's the unit designation?

A. B-32.

Q. Does GeoMet have drilling rights in this unit?

A. Yes, sir, it does.

Q. Are we going to dismiss any parties today?

A. No, sir.

Q. What percentage of the coal estate is under lease to GeoMet?

A. 77.79%.

Q. And the oil and gas estate?

A. 58.3425%.

Q. How was notice provided to the parties respondent on...for this hearing?

A. By two methods, sir. The first was by certified letter, return receipt requested. The second was by publication in the Bluefield Daily Telegraph.

Q. Have you provided proofs of publication and certification of mailing to the Board?

A. Yes, sir, I have.

Q. Do we have any unlocateable or unknown owners in this unit?

A. No, sir.

Q. As to the interest under lease and sought to be pooled, again, what is the coal estate...the percentage of the coal estate that's under lease to GeoMet?

A. 77.79%.

Q. And the oil and gas estate?

A. 58.3425%.

Q. What percentage of the oil and gas estate is GeoMet seeking to pool?

A. 41.6575%.

Q. And the percentage of the coal estate?

A. 22.21%.

Q. Do we have an escrow requirement for this unit?

A. Yes, sir, we will.

Q. Which tracts are involved?

A. Again, that involves the Rogers' Cousins. There's two tracts involved. The first is Tract 1 at 19.4425%. The second one is Tract 4 with a .005% interest.

Q. Again, we have no unknowns in this, is that right?

A. That is correct, sir.

Q. Has an Exhibit E been submitted to the Board reflecting this escrow requirement?

A. Yes, sir, it has.

Q. Are you requesting the Board to pool the unleased parties listed on Exhibit B-3?

A. That is our request, sir.

Q. And also that GeoMet be designated as operator for this unit?

A. That is also our request, sir.

TIM SCOTT: That's all I have for Mr. Patton.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

MARK SWARTZ: Mr. Swartz?

CROSS EXAMINATION

QUESTIONS BY MR. SWARTZ:

Q. Mr. Patton, C. L. Ritter has 22.21% of the unit?

A. That's my understanding, sir.

Q. And is it your understanding also that they have leased interest to CNX?

A. That is correct, sir.

MARK SWARTZ: That's all I have.

BENNY WAMPLER: Call your next witness.

JEFF TAYLOR

DIRECT EXAMINATION

QUESTIONS BY MR. SCOTT:

Q. Mr. Taylor, are you familiar with this application?

A. I am.

Q. And what is the total depth of the proposed well?

A. 2,290 feet.

Q. And the estimated production from this unit?

A. 1.05 bcf.

Q. Did you assist in the preparation of the estimated well cost exhibit?

A. I did, under my direction.

Q. Was that signed by you and submitted to the Board?

A. It was

Q. As to the figures reflected on that exhibit, what is the estimated completed well costs?

A. \$406,625.

Q. What about the dry hole costs?

A. \$172,750.

Q. Does the estimated well cost exhibit also include a charge for supervision?

A. It does.

Q. And in your opinion, would the granting of this application promote conservation, prevent waste and protect the correlative rights of the parties in this unit?

A. It would.

TIM SCOTT: That's all I have for Mr. Taylor.

BENNY WAMPLER: Questions from members of the Board?

(No audible response.)

BENNY WAMPLER: Mr. Swartz?

MARK SWARTZ: Nothing.

BENNY WAMPLER: Do you have anything further?

TIM SCOTT: No, sir.

BENNY WAMPLER: Is there a motion?

BILL HARRIS: Motion to approve.

PEGGY BARBAR: Second.

BENNY WAMPLER: Second. Any further discussion?

(No audible response.)

BENNY WAMPLER: All in favor, signify by saying yes.

(All Board members signify by saying yes.)

BENNY WAMPLER: Opposed, say no.

(No audible response.)

BENNY WAMPLER: You have approval.

TIM SCOTT: Thank you.

BENNY WAMPLER: Happy Thanksgiving to everyone.

STATE OF VIRGINIA,

COUNTY OF BUCHANAN, to-wit:

I, Sonya Michelle Brown, Court Reporter and Notary Public for the State of Virginia, do hereby certify that the foregoing hearing was recorded by me on a tape-recording machine and later transcribed under my supervision.

Given under my hand and seal on this the 14th day of December, 2006.

NOTARY PUBLIC

My commission expires: August 31, 2009.